

**inside...**

PUNDIT LOOKS AT WAL-MART • SPRING MERCHANDISING  
MEXICAN MANGOS • GREENHOUSE PRODUCE • PALLETS  
VALUE-ADDED POTATOES • REGIONAL PROFILE: TORONTO • ASPARAGUS  
PACKAGED NUTS • FLORAL SIGNAGE • FLORIDA SPRING PRODUCE

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starts on page 81

FEB. 2010 • VOL. 26 • NO. 2 • \$9.90

# produce business

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## FOOD SAFETY: Offense or Defense?

As we mature as an industry in the food safety arena,  
how are we balancing defensive and offensive strategies?



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# PRODUCE QUIZ

## THIS MONTH'S WINNER:



**Shaleen Heffernan**  
Account Manager  
Agrexco USA  
Jamaica, NY

### How To Win

To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our April issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

With a grandfather who served as meat director for a national grocery chain and farmers on both sides of her family, it's no surprise Shaleen ended up in the produce industry. After spending much of her youth around the world, she settled in New York selling truffles for Sabatino, a company that later merged with Baldor. Eventually, she found her way to Agrexco, where she is an account manager. "They needed someone who spoke Arabic and I fit the bill," she says. "About 40 percent of my customers are Middle Eastern so I get to use my language skills constantly."

Shaleen relies on PRODUCE BUSINESS to keep her informed on what's going on in the industry. "It is so great to find a trade publication that has such passion, information and enthusiasm. It gives you information you can relate to everyone at every level."

While Shaleen currently focuses on dates and pomegranate arils, "We have so many other products that I want to learn about and get more involved with. I can't imagine doing anything else. I'm addicted to produce!"



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- 1) What is the phone number for Duda Farm Fresh Foods? \_\_\_\_\_
- 2) Where is Produce for Better Health Foundation's Gala at the Castle? \_\_\_\_\_
- 3) What brand of mangos does Ciruli Brothers market? \_\_\_\_\_
- 4) Does Sunset Produce grow mini peppers? \_\_\_\_\_
- 5) What is the title of Episode 5 of Adventures of the Idaho Potato Retailer? \_\_\_\_\_
- 6) Who is the operations manager for Ippolito Produce? \_\_\_\_\_

This issue was:  Personally addressed to me  Addressed to someone else

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**produce**business

FEB. 2010 • VOL. 26 • NO. 2

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PO. Box 810425  
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**PRODUCE BUSINESS** is published by  
Phoenix Media Network, Inc.  
James E. Prevor, Chairman of the Board  
PO. Box 810425

Boca Raton, FL 33481-0425  
Phone: 561-994-1118 Fax: 561-994-1610  
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Printed in the U.S.A.

Publication Agreement No. 40047928

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# WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY ROBERT GUNTHER, SENIOR VICE PRESIDENT OF PUBLIC POLICY • UNITED FRESH PRODUCE ASSOC.



# Produce Is A Priority In 2010

**A**s lawmakers bear down on a full agenda for 2010, the produce industry has many irons in the fire. Moreover, House Agriculture Committee Chairman Collin Peterson (D-MN) announced he might begin hearings on the next Farm Bill reauthorization.

Here's a broad look at what action the produce industry can expect from Capitol Hill in 2010:

## FOOD SAFETY

In November, the Senate Health, Education, Labor and Pension Committee (HELP) passed the Food Safety Modernization Act of 2009 (S.510). Introduced last March, the legislation represents the first major move by the Senate to reform the nation's food safety laws.

Highlights of the bill include provisions for hazard analysis and preventive controls, requiring all facilities that manufacture, process, pack or hold food to have in place risk-based preventive control plans to address identified hazards and prevent adulteration. It also gives FDA access to these plans and relevant documentation; stipulation that importers must verify the safety of foreign suppliers and imported food; a requirement that FDA boost the frequency of inspections of all food facilities; mandatory recall authority for FDA if a certain food will cause serious adverse health consequences or death and a company has failed to voluntarily recall the product upon FDA's request; the authority to administratively detain any food that is misbranded or adulterated under the Food, Drug and Cosmetic Act; and an increase in funding for FDA's food safety activities.

Also included is a comprehensive plan to incorporate a commodity-specific, risk- and science-based approach to develop specific standards for the safety of fresh produce.

The legislation represents an aggressive and comprehensive approach to reforming food safety laws. While further direction to the Department of Health and Human Ser-

vices is needed for improving outbreak investigations, many of the tough issues have been addressed in this legislation, leading to the broad bipartisan support it currently enjoys. It provides a clear roadmap to pursue a set of policy recommendations that brings us closer to a comprehensive food safety program and will achieve our goals of a stronger fresh produce industry.

## CHILD NUTRITION

In December, Congressmen Sam Farr (D-CA) and Adam Putnam (R-FL) introduced the Children's Fruit and Vegetable Act of 2009 (H.R. 4333). The bill is an important step in calling attention to the simple, but powerful role school salad bars stocked with fruits and vegetables can have in improving kids' health.

Research has shown that school children significantly increase their consumption of fruits and vegetables when given a variety of choices, such as in a school salad bar. When offered multiple fresh fruit and vegetable choices, children respond by trying new items, incorporating greater variety into their diets and increasing their daily consumption of fruits and vegetables. Perhaps more importantly, increased daily access to a variety of fresh produce items provides a personal experience about choices that can shape behavior far beyond the school lunch line. Children learn to make decisions that carry over outside of school, providing a platform for a lifetime of healthy snack and meal choices far beyond the produce consumed at school.

## CLIMATE CHANGE

Just before the beginning of December's two-week international climate change conference in Copenhagen, Denmark, the Environmental Protection Agency (EPA) formally announced its intent to regulate greenhouse gas emissions (GHGs). This action, taken in the form of an "endangerment finding" gives the agency the power to regulate GHGs under the Clean Air Act.

In their announcement, EPA stated, "after a thorough examination of the scientific evidence and careful consideration of public comments... GHGs threaten the ... health and welfare of the American people. EPA also finds GHG emissions from on-road vehicles contribute to that threat."

Previously, EPA had not classified GHGs as a danger to human health and therefore took no action under the Clean Air Act, but with this latest announcement, the administration is now able to act unilaterally to reduce emissions from a variety of sources throughout the U.S. economy. The development serves to pressure Congress to come up with a legislative solution. However, legislation could preempt or constrain EPA's discretion in regulating emission sources, including many that are either on the farm, involved in production of inputs, or throughout the agricultural supply chain.

## LABOR AND IMMIGRATION

The path to comprehensive immigration reform cleared somewhat in December when Congressman Luis Gutierrez (D-IL) introduced the Comprehensive Immigration Reform for America's Security and Prosperity Act of 2009. Included in the bill is language from the Agricultural Job Opportunities, Benefits and Security Act (AgJOBS), which would address the legalization of undocumented migrant farm workers in the United States.

AgJOBS enjoys broad support within the industry as a balanced, comprehensive solution for the agricultural labor crisis in the United States. This legislation could potentially provide relief to agricultural employers who have been adversely affected by targeted immigration enforcement by state and federal authorities. What's more, AgJOBS would address this confusion caused by the federal government's repeated modifications to regulations for temporary worker programs, causing significant confusion and economic harm to farmers and other employers across the United States.

# Wal-Mart's Blind And Costly Focus On FOBS

From Jim Prevor's Perishable Pundit  
January 18, 2010



**O**ur piece, *Flaws In Wal-Mart's Produce-Procurement Thinking* [January 5, 2010], brought a number of interesting responses. For example, a prominent retail produce executive made this comment:

As per normal, great article and insight on Wal-Mart Procurement. We experienced this same confused logic prior to our split with the Mother ship. When folks with little industry experience are making the grand plan decisions, the lower level folks generally make the numbers be whatever they need to be.

With all the moving parts that exist within produce logistics, saving the 10 percent based on some esoteric metric is like playing the game of shells. It's probably still there somewhere, but you just need to find it. It could be hiding in brokerage fees, freight cost, cooling and palletization fees, sizing, quality or any number of below-the-line costs.

Now the more interesting thing is that, in general, apple prices are down significantly from last year. We experienced a high market for the 2008 crop, and the 2009 crop gave us plenty of volume on the sizes we want... so the market actually fell when compared to last year. Not by 10 percent... but by an average of almost 19 percent. So... if I as a buyer have been given the charge to save 10 percent on apple costs, and the market drops 19 percent, can I deliver the targeted 10 percent savings and make my performance goals??

Oh yeah, you betcha!

— Dan Sutton, director of produce, Albertsons LLC, Boise, ID

We appreciate Dan's willingness to point out the enormous problem with these types of pronouncements. When *The Financial Times* reported Wal-Mart was claiming its Washington apple procurement experiment, was saving it 10 percent, it is hard to give very much credence to that.

First, as Dan Sutton points out, if you focus on getting low FOBS, you can get low FOBS — that doesn't mean lower total cost. We've sat in offices and watched sellers say: This guy is focused on getting the FOB down, so let's up the transportation and cut the FOB.

We are reminded of the slogan emblazoned behind the desk of Meshulam Riklis, the businessman more famous for manipulating financial structures (and for marrying and promoting the career of Pia Zadora) than for actual business. The motto he lived by: "You can name the price

if I can name the terms."

Second, Wal-Mart could compare its costs against its last year's contract, but it can't know what it would have paid on a fictitious contract that never was actually negotiated. So, as Dan points out, if the apple market is weak, maybe it could have saved more under its old program.

Third, the impact on consumers can be significant and deleterious to Wal-Mart. The Pundit used to ship a lot of Fancy Goldens to Europe — did it for years with satisfied customers. Then one year, all the customers in Europe started complaining: These were not Fancy apples.

We did an investigation and it turned out that the particular year happened to be a bad one for quality. In prior years, the typical fruit shipped as Fancy well exceeded the minimum requirements. The market had become conditioned to thinking Fancy meant product that well exceeded minimum requirements for the grade.

When Wal-Mart was under contract, its vendors had an obligation to meet volume requirements week in and week out at the agreed price. Sometimes, although the contract may have been based on a particular grade, say U.S. Extra Fancy, the shippers wound up delivering better grades, say Washington Extra Fancy, to meet their obligations.

Now the shippers can pick and choose when to bid for the Wal-Mart business; that won't happen very much.

So the consequence of Wal-Mart's switch is that its shoppers will have lower quality produce than they did before. What is the long-term cost to Wal-Mart of handling a lower quality package — even if it meets minimum Wal-Mart specs?

Fourth, Wal-Mart didn't just buy apples and transport... it bought a range of services that fall under a category of business analysis. Just a tiny shift here can result in thousands of incidents of being out of stock. Under the old system, if Wal-Mart was out of stock, that counted against the vendor and would affect the chain being awarded future business.

Who does it count against now? Nobody. Which means out-of-stocks will zoom. This means that even if they are successful in reducing procurement costs — the whole procedure will still cost Wal-Mart a fortune.

This is what happens when people who don't know the business seize on something they can quantify — cost of goods sold — and work to reduce it without really understanding the consequences of their actions.



# Best Laid Plans...

Much of the time the produce industry goes on like any other: Products are positioned, branded, packaged, marketed and merchandised like most consumer products. Then, every once in a while, we have a freeze or El Niño strikes and, all of a sudden, like a puppy on a leash suddenly tugged while running, we are shocked into remembering that produce is not just like other consumables. All of our efforts are at the whim of Mother Nature, and the best laid plans, well, as the poet Robert Burns wrote, "go often askew."

On the business side of the industry, bad weather poses well-known conundrums. Should a branded marketer, for example, insist on an objective standard of quality — realizing that this quality may simply not be available? This may keep faith with consumer expectations, but how many companies can afford to forfeit the shelf space and the continuing business that the brand implies?

Should retailers sell product at high prices that they know to be of low quality? Yet valued suppliers need outlets, do they not? And will consumers be forgiving if one retailer has the same product that another chooses to forego? And don't retailers need those sales to utilize the square footage and shelf space so expensively outfitted for the produce department?

What should a restaurant chain do? Suddenly change its menu? Raise prices? Swallow the reduction in margin when the tomato on the hamburger zooms in price?

Producers who are suddenly short of product have to decide how to allocate among customers, when to enforce *force majeure* clauses and what product they sell fresh, what goes to a processor and what gets plowed under.

As problematic as all this is, it is part of the business and recognized as such. Perhaps the more interesting question is how consumers react to unavailable or expensive fresh produce and to quality differentials caused by weather fluctuations.

Some consumers, of course, react with sympathy. They read or see horrible destruction of the fields in the media and feel empathy for the farmer. They understand and accept some quality issues and recognize that on a small crop, only higher prices will sustain the farmer. This attitude may be increasing, with all the attention being paid to locally grown food and the whole concept of knowing where one's food comes from. It all results in a greater consciousness of the reality that food comes from the land and that there are real farmers behind each produce item.

Yet, such a generous attitude can't be relied upon. For one thing — box schemes and farmer's markets aside — few consumers deal

directly with farmers, so they are removed from the reality of the farm. In addition, the high prices, limited availability and low quality can continue long after the weather event, and the ability of consumers to connect high prices to a weather problem six weeks earlier is questionable.

Then, of course, we have to realize that consumers have their own problems, and, for the most part, consumers just can't take on the problems of produce producers and marketers.

Fluctuations in produce prices affect long-term demand in important ways. When product is in surplus and prices collapse, the low pricing serves as a kind of massive sampling program and consumers who had either never tried, say, avocados, now try them due to its bargain price. Consumers who had sampled the product before, may get in the habit of consumption when prices are low. Restaurants and salad bar operators at both retail and foodservice often add to this dynamic as chefs and operators, quick to note that an item is both inexpensive and, typically, top quality, start to feature the item more generously.

The effect of this sampling and habit-forming continues long after prices rise. Conversely, high prices have the opposite effect. Sampling is reduced; habits of consumption shift away from the expensive items; menus and salad bars start to feature other items. Consumers may shift to different selections of fresh produce, but they may also shift to frozen or canned and, indeed, reduce produce consumption entirely.

The availability of imports has moderated this whole process with both positives and negatives for the industry and consumers. The

positive point for consumers is that bad weather, by leading to higher prices, creates a vacuum that imports can often fill. So price hikes are limited to what it costs to bring in product from elsewhere. The same dynamic, of course, moderates returns to producers in the area that suffered from bad weather. This creates a dilemma for producers, as the low prices — caused by excellent growing conditions — are as low as ever, but the high prices — in the past spiked by bad weather — are now not as high as they used to be.

The challenge for the industry is to keep consumers focused on fresh produce, despite all kinds of weather. This is difficult because it means persuading consumers to eat differently when supply interruptions impact producers. Yet with the Produce for Better Health Foundation promoting fresh, frozen, canned and 100 percent juice, there is no institution in the industry devoted to selling the concept of fresh to consumers. Perhaps as new crops grow in the aftermath of bad weather, an answer to the trade's institutional need for such a body can rise as well.

**pb**

**The ability of consumers to connect high prices to a weather problem six weeks earlier is questionable.**

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BY MONA DOYLE, PRESIDENT, THE CONSUMER NETWORK INC.

# Consumers Rate Packaging

**N**o mess" and "readiness" are two things that today's shoppers need and expect when shopping for produce. Once upon a time, the big choice in fresh produce was between packaged and bulk.

Pre-organic produce shoppers believed supermarkets sold packaged apples, potatoes and onions with the rotten ones on the bottom and the fresh ones on top. Publix Supermarkets in Florida was the only supermarket chain selling packaged produce that shoppers believed was uniformly perfect. Competitors featuring bulk produce advertised shoppers could choose their own fruits and vegetables from bulk displays and made building the displays into an art form that sometimes reached perilous heights.

The bulk-versus-packaged war is long over, and packaging has gained ground. Today's shoppers worry about prices, *E. coli* and pesticide residue, but they don't worry about rotten apples. In fact, everyone in the supply chain deserves kudos for the trust they have earned for the quality of what today's shoppers routinely find in their packages.

The strongest example of this produce victory is the difference in perception of produce and meat packages. When it comes to buying fresh meat in a package, most shoppers skeptically expect it to be packaged "bad side down," meaning they expect to find more fat and bone when they open the package and turn it over. Produce shoppers are much less likely to expect the bottom layers of strawberries to be moldy, or apples placed on the bottom to be rotten. It's not totally a coincidence that meat and produce have changed places in the supermarket hierarchy, with produce, rather than meat, now being a primary factor in store choice and profit generation.

Some of the turnaround is attributed to produce packaging innovations that have

*The Consumer Network operates a national shopper panel and conducts research and consulting projects for clients in industries that serve consumers. Find them online at [www.consumernetwork.org](http://www.consumernetwork.org)*

made a difference in shoppers' lives, and packaged salads are first among them. Millions of consumers regularly serve fresh salad at home with no more work than the flick of a pair of scissors. However, now that shoppers have taken them into their refrigerators, hearts, and meals on a regular basis, they grumble and gripe because the packages are hard to open and harder to reclose.

In a recent Consumer Network survey called Packaging Report Card 2009, shoppers were asked to rate the packaging in 60 food and beverage product categories. Only half of the respondents gave good marks to "Salad, bagged — refrigerated."

In sharp contrast, more than 80 percent gave good marks to another refrigerated product, "Milk in cartons — screw cap." It's

3. Their freshness dates are less than easy to read and considered by many shoppers to be of primary importance.

4. They go bad very quickly when closed with a clip.

5. Other "less important" produce items, such as berries, now have terrific packages. "So why don't salads have good packages, too?"

6. They are not portable. Convenience stores are doing a great job of selling pre-cut vegetables and salads in on-the-go packages that fit most cars' cup holders. The berry packages are fabulous — easy to open and store."

7. There's too much plastic in the produce department. "How can fresh produce be better for the planet with everything

## Respondents rating packaging Good or Excellent

	Younger 20-49	Older 50+
Salad, bagged — refrigerated	50%	47%
Milk in cartons- screw cap	80%	87%

Data from The Consumer Network's Packaging Report Card 2009

worth noting that shoppers hated the gable-topped cartons before the screw caps were inserted, and that the improved closures were pioneered by marketers of refrigerated juice, such as Tropicana, and not by any of the more traditional dairy companies.

Back to salad bags: There are at least seven reasons they received such low scores on our report card.

1. They make a mess. In the process of being opened, they have a tendency to spill out on the counter or table, which is precisely what shoppers are trying to avoid by buying them.

2. They don't reclose, and today's shoppers want and expect to be able to reseal perishable produce packages.

being wrapped in plastic?" Some packages for organic greens do have strong, eco-friendly selling points: "The Earth-Best organic greens come in a plastic box made from recycled bottles, which makes me feel great about buying it."

The produce industry has come a long way to making eating and/or cooking with fresh produce as easy as possible. It is easy and delicious to have a fabulous soup meal with 30-second prep time by combining a package of fresh cut carrots, onions and celery with a can or carton of soup. Shoppers expect more packaging that makes fresh produce easier to use. No mess and readiness should be the guideposts for package and business development.

BY JIM PREVOR, EDITOR-IN-CHIEF, PRODUCE BUSINESS

# Voting With Dollars

**M**uch like the conundrum of the chicken and the egg, when consumer concerns shift, it can be difficult to know if consumers now worry about what they do because their concerns have simply evolved or because the industry has done a good job of addressing their concerns.

If consumers no longer fear rotten produce at the bottom of the package, that may be due to three factors:

First, there is great consciousness in package design about allowing consumers to see the product from all sides. It is very difficult to even find old-style paper bags, as they have mostly been superseded by clear bags and clamshells.

Second, packing is better. Whether it is sturdy clamshells that provide more protection to the product or carefully designed gas permeable films and various absorbent pads that help maintain quality after being packaged, the packages of today are really not comparable to old-style packaging. Think about the old kraft strawberry pint containers and contrast them with new clamshells — no wonder Mona reports consumers used to worry about rotten fruit and no longer do so.

Third, much more packaging of produce is being done outside of the store. This is significant because a lot of in-store packaging was done as a way to reduce shrink on sub-standard produce. I can't count how many hours I spent — when I worked at retail, back when food safety wasn't the issue it is today — culling moldy berries and repacking the good ones or cutting off bad sections of melons to overwrap them. Today's packaged produce is typically top quality; even items such as bagged apples may be a small size or a lower grade, but the condition is typically perfect when packed.

In many ways, Mona's explanation of consumers' critique of produce packaging is quite hopeful as these issues are all being addressed by the industry. Dole, for example, recently launched a line of packaged salads in a bag specifically designed not to burst and make a mess when being opened. Apio,

**Will consumers actually pay sufficiently more to have their salad in resealable bags?**

under its Eat Smart brand, has launched a line it calls Simple Noodles — call it an American version of a Mirepoix soup — which includes a selection of fresh-cut vegetables with some noodles and a flavoring, or sauce. The produce is sold in a clever package that includes a spout for draining excess water and a pre-packaged fork. As Mona suggests, without any mess, one has a nice little noodle and vegetable meal in a couple of minutes.

Of course, consumer critiques can be a challenge. For example, Mona points out that consumers prefer resealable bags. Of course, that is easy to do today, so it is not a technological issue. The problem is that a resealable bag costs money. Will consumers actually pay sufficiently more to have their salad in a resealable bag? One has to believe that companies such as Fresh Express and Dole have researched this matter and, so far, the answer has come out in the negative.

This brings us to an issue with consumer research. It is sometimes said that the difference between politics and economics is that in politics, we learn what people want; in economics, we learn what people want most.

So it is easy to get consumers to vote in a focus group or survey for, say, resealable bags or sturdy clamshells — whether they will actually vote with their dollars for these products is a significantly different question.

The verdict may depend not only on the produce and the package, but on the marketing. Can consumers be persuaded that a resealable package will reduce spoilage, and thus waste, sufficiently to get consumers to pay more for the product? Is there a new utility to a package that consumers can be shown? If clamshells with berries get a boost because consumers like being able to wash

the berries right in the clamshell, then claims of triple-washing the greens may negate the need — and thus the willingness to pay for — such a package in salads. But if washing is encouraged, then a package that allows for washing is a benefit.

It also seems valuable to add some quantification to the qualitative research. It is important to know that some consumers care that the plastic box is made from recycled plastic bottles, but whether that is a motivator for a niche line to be sold at Whole Foods or a prod for change in mass market products depends not on the sentiment but, rather, the frequency with which such thoughts are expressed and such feelings held.

Retailers have a special need to consider certain aspects of consumer research because an individual product can test well, but a sea of such products can impact consumer perceptions of a department or a whole store. Produce retailers have been aware of this problem for some time and have mostly phased out products that were once common in produce — fire logs, bird seed and the like.

Top produce directors stopped selling these products, despite good margins and, sometimes, guaranteed sale offers, because they detracted from the fresh image of the department. The challenge for retailers now is how to deal with a sea of plastic containers and packaging on products much more core to the department's function.

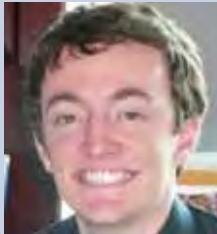
Auto dealers typically display alluring red sports car convertibles to draw people in and then sell practical blue sedans. We probably should do some in-store consumer research. Perhaps those very practical berry clamshells would sell better surrounded by a display of bulk strawberries.

### DOLE FOOD COMPANY INC. WESTLAKE VILLAGE, CA

**Tim Waters** was promoted to the newly created position of district sales manager, based in Minneapolis, MN. He will be responsible for selling Dole banana category products in the upper Midwest, as well as building and coordinating Dole's national and regional business. He began working for Dole in 2001 as a marketing representative.



**Dan Boyes** was promoted to district sales manager for the central division in the Erlanger, KY-based divisional office. He will be responsible for selling Dole banana category products in East Texas, Arkansas, Louisiana and Mississippi. He began working for Dole in 2007 as an assistant district sales manager for the Western Division.



**Jaci Spicer** was promoted to assistant district sales manager for the central division. She will work in the Erlanger, KY-based divisional office to support Dole sales efforts within the banana category. She began working for Dole in 2006 as an assistant product distribution manager for the central division.



### COLORFUL HARVEST SALINAS, CA

**Casey Mills** was hired as business development manager. He brings experience in solid farming, quality control and crop sales. He previously worked for Mills Family Farms and TriCord Tradeshow Services in Palm Desert, CA. He graduated from Cal Poly, San Luis Obispo with a Bachelor's degree in Ag Systems Management.



**Gina Diaz** was hired as accounting manager. She brings 15 years of experience in the produce industry. She previously worked with Misionero Vegetables. Most recently, she worked for D'Arrigo Bros. as operations accounting manager. She graduated from the University of Phoenix with a Bachelor's degree in Accounting.



**Jose Rossignoli** was hired as director of sales and sourcing strategies. He previously worked for Brooks Tropicals LLC, as vice president of sales and marketing, where he was involved in managing sales, marketing and distribution programs. He graduated from the University of Florida with a Masters of Agribusiness degree.



## ANNOUNCEMENTS

### FRONTERA EXPECTS RECORD

#### VOLUME OF PINEAPPLES

Frontera Produce, Ltd., Edinburg, TX, plans to pack a record number of cases of its MD2 Golden variety pineapples from Mexico to market from January through July 2010. During this time, Frontera will rank as one of the largest importers of Mexican-grown Golden pineapples into the United States, increasing its production nearly 40 percent for the 2010 season.



Reader Service No. 300

### SUNKIST, FRESH MARKET CREATES 'WORLD'S LARGEST' ORANGE DISPLAY

Sunkist Growers Inc., Sherman Oaks, CA, and Fresh Market, a new division of Associated Food Stores, Salt Lake City, UT, kicked off the holiday season by building the world's largest navel orange display at its store in Centerville, UT. More than 322,000 fresh Sunkist navels – 164,00 pounds – were used to build the display, which was enjoyed by consumers at a special viewing party hosted by the store.



Reader Service No. 302

### SUNNYRIDGE FARMS OPENS NEW DISTRIBUTION FACILITY

SunnyRidge Farm, Winter Haven, FL, hosted a grand opening and ribbon cutting to celebrate the opening of its new distribution facility in Plant City, FL. The event drew more than 100 people. The facility, which features more than 51,000 square feet of packing and distribution space, will nearly triple SunnyRidge's capacity.



Reader Service No. 304

### SUBSOLE AWARDED TESCO'S BEST SUPPLIER AWARD

Subsole, Santiago, Chile, received Tesco's Best Supplier in the Southern Hemisphere Award at the British retail chain's Produce Grower and Supplier Awards 2009, held during its annual gala dinner in London. Subsole was chosen for the international grower and supplier category. Pictured from left are Miguel Allamand, president of Subsole, and Tim Lee, produce manager for Tesco.



Reader Service No. 301

### VILLAGE FARMS COMPLETES CONSERVATION, PRESERVATION PROGRAMS

Village Farms, Eatontown, NJ, completed land preservation and water conservation programs at its greenhouse facilities in Marfa and Fort Davis, TX. The programs were designed to reuse agricultural hydroponic greenhouse production waste water to create irrigation water for a vast area of ranchland where grasslands can flourish and cattle can graze year-round.



Reader Service No. 303

### SUNFLOWER FARMERS TO SHIP HOME-GROWN PRODUCE

Sunflower Farmers Market, a Boulder, CO-based chain of 27 full-service grocery stores offers consumers high-quality natural and organic products at low prices. In 2008, the chain started a backyard farm to augment the produce stock in its 27 stores. Growing its own food allows the retailer to control quality and lower costs to keep prices down and consumers happy.



Reader Service No. 305

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com



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# FOOD SAFETY: Offense or Defense?

**As we mature as an industry in the food safety arena,  
how are we balancing defensive and offensive strategies?**

BY JODEAN ROBBINS



**A**fter suffering multiple hits in recent years, the produce industry is more food safety conscious than ever and has taken great strides to improve approaches to food safety. "There has been an unprecedented effort in the last three years to enhance produce food safety," says Drew McDonald, vice president of national quality systems for Taylor Fresh Foods Inc., based in Salinas, CA. "The effort has included food safety experts and stakeholders from the industry, academia and government. The results of the effort have produced sharing of Best Practices and development of comprehensive food safety programs such as the commodity-specific guidelines for leafy greens, melons and tomatoes."

"The produce industry has become much more proactive than in the past," agrees Bill Pool, food safety specialist for Wegman's Food Markets Inc., headquartered in Rochester, NY, with 75 stores. "The Center for Produce Safety, based at UC-Davis, and the Sacramento, CA-based California Leafy Greens Handler Marketing Agreement (LGMA) are both wonderful examples of the industry stepping up and actively addressing issues affecting produce safety."

In this new era, the question now turns to whether companies are playing offense or defense in the food safety game. "Broadly speaking, everyone in the industry, whether they're in Honduras, Mexico, Chile, California or Maine, realizes food safety is a critical issue," says Tim York, president of Markon Cooperative Inc., in Salinas, CA. "However, practices and the application of them — in terms of how farming or transportation is handled — can be different along the way. Certainly, there are parts of the industry taking it very seriously and making major progress. Food safety was something that a lot of people thought about prior to September of 2006 — now there are many more doing something about it."

"Regardless how logical or practical preventative medicine might be, in our culture, it takes a back seat to the specialist who comes in and saves the

day," states Robert Stovicek, Ph.D., president/chairman of Santa Maria, CA-based PrimusLabs.com. "It is much harder to recognize the individual who prevents a crisis. Firms applying food safety offensive strategies are like those building brands over the long haul. They shape others' expectations by their actions one day at a time. Not as glamorous, but very rewarding for those with the stamina, discipline and commitment to follow through day-in and day-out."

Taking an offensive approach is no simple task. "Fresh produce has two challenges facing it, even under the best of conditions," explains David Gombas, Ph.D., senior vice president of Food Safety and Technology at United Fresh Produce Association, located in Washington, D.C. "First, the vast majority of produce is grown outdoors, where it is exposed for the entire growing season to a variety of potential pathogen carriers and continues to be vulnerable to contamination right up to and including handling by the consumer. Second, once contaminated, fresh produce is very difficult to decontaminate. So everyone in the fresh produce supply chain has to do what they can to prevent contamination from occurring while they have control of the produce."

Although a vast majority of the industry is well trained in food safety issues, not everyone is at the same level. "Some companies have really grasped the concept of food safety responsibility," acknowledges Bob Whitaker, Ph.D., chief science officer for the Produce Marketing Association (PMA), based in Newark, DE. "These companies have done risk assessment and are engaging product testing and auditors where it makes sense. However, there is a minority in our industry — those who are not taking ownership for food safety programs — and instead, they're following programs prescribed by others that they're trying to fit to their operation. They haven't taken ownership for doing their own risk assessment and are going through requirements without really understanding why they're doing it. Then, there is a small minority who haven't even gotten started on implementing a comprehensive



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program, and we, as an industry, need to help them get started."

"The large number of successful brokers and wholesalers pay tribute to the size and complexity of the fresh produce industry," states Matthew Regusci, chief operating officer of Azzule, an international, web-based supply chain compliance data management group with locations in Culiacan, Sinaloa, Mexico and Santa Maria, CA. "Over the past ten years, certain commodity groups, certain regions and certain companies have made amazing progress. However, a completely opposite statement could be made about others."

## CHAMPION A FOOD SAFETY CULTURE

Just like a championship sports team, success in food safety must consist of teamwork and leadership from above. "The first thing a company has to recognize is how the safety of the product is their responsibility," explains Whitaker. "This has been a stumbling block for many industries over the years. Once you accept the responsibility, then you can begin to make it a part of the corporate fiber of your company."

"If food safety is going to be of value for a company, it is going to be part of their business culture much like other values we have," remarks Markon's York. "It has to start at the very top. The people have to know it's important to the CEO. If the CEO doesn't demonstrate its significance through his or her actions and decision-making, it's not going to matter to the rest of the company."



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**"Firms applying food safety offensive strategies are like those building brands over the long haul. They shape others' expectations by their actions one day at a time."**

— Robert Stoicek, Ph.D.  
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"Companies need to build a strong food safety team whose initiatives are understood and supported by management," adds Dionysios Christou, vice president of North American marketing for Del Monte Fresh Produce North America Inc., headquartered in Coral Gables, FL. "At Del Monte, we have both corporate and operating unit teams focused on the safety of our products, and it is a company-wide priority to deliver only the safest, premium quality produce."

Time and commitment are required for success. "Changing corporate culture doesn't happen overnight," adds David Corsi, vice president of produce and floral merchandising for Wegman's. "It takes time and commitment, and commitment has to start at the top. If senior management isn't com-

mitted to the importance of food safety, that will carry down through the organization and your food safety efforts will suffer. Fortunately, our top people are very involved in food safety activities and very supportive. In addition, you need foundation programs enhancing food safety activities such as HACCP, GAPs and other pre-requisite programs. You need to train folks and help them understand why certain things are so important, and they need to be supported with the right equipment and materials."

A true food safety program must be incorporated throughout the business. "Food Safety needs to be a core component of the business strategy," states Taylor Fresh's McDonald. "It is not something to be marketed; it is a given. An understanding of the regulation surrounding food products should be emphasized when designing a new processing plant, selecting a grower/supplier and developing product lines. A well-run company has quality and food safety as core tenants of its business model. If it's not part of the culture, customers will not want your product."

"We're seeing a change in the general outlook on food safety," reports Scott Horsfall, CEO of the California Leafy Green Products Handler Marketing Agreement (LGMA) in Sacramento, CA. "This is especially true in our industry because we've been in the eye of the storm."

The commitment to food safety must be led by the management team, but be an integral part of the organization to assure enforcement of standard operating procedures (SOPs) that deliver a

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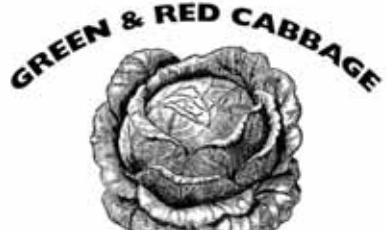
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Reader Service #30



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As recipient of the 2009 LGMA Golden Checkmark Award, Tim York of Markon Cooperative supports mandatory government inspection of food safety practices. "All of us in the fresh produce industry are concerned about food safety and public health," Tim says. "The LGMA standard is among the most rigorous in the industry, and it's the only audit that Markon requires of our leafy greens suppliers. We believe the LGMA is the only independent farm audit a buyer needs." Look for the LGMA service mark, your assurance that you're buying from a certified LGMA member as committed to food safety as you are.

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*Tim York, President,  
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safe food supply," adds Bryant Ambelang, vice president of sales and marketing for Desert Glory Ltd, in San Antonio, TX. "The written SOPs must all link into the delivery of a safe product with no tolerance for infractions."

## MAKE IT PERSONAL

Risk management and specific identification of the parameters and tools fitting a specific business are crucial components to successful food safety. "Food safety is personal," says PMA's Whitaker. "Each company must assess their individual risks and put together a program specific to its risks and needs."

"Not all food safety tools are right for all operations," agrees United Fresh's Gombas. "Every operation has to pick those best fitting their operation and inherent food safety risks. Picking the wrong ones can mean wasting precious food safety resources without actually improving food safety."

"The Leafy Greens Agreement and Sysco's requirement of GAP from all our ready-to-eat suppliers are examples of risk management," says Rich Dachman, vice president of produce for Sysco Corp., based in Houston, TX. "Risk management is preventative maintenance. There aren't any guarantees in our business so all we can do is reduce risk."

Once an effective plan is in place, all levels of the company must understand and embrace it. "There has to be a food safety champion at the operational level," says Gombas, "someone whose responsibility is to make sure the operation has a food safety plan addressing the risks reasonably likely to occur and in a practical and verifiable manner. This same person should monitor the day-to-day operation to ensure the plan is being followed. Every worker's job responsibility training should include enough food safety that they understand how their actions, or failure to take action, can affect the safety of the produce they handle."

Being able to measure food safety performance is equally as important as assessment and management. "If we are not measuring, then we cannot be managing," points out Regusci of Azzule. "If we have not established various measures of performance in our food safety efforts, if we are not recording these measures, if we are not linking performance reviews to these measures, then we are sending a hollow message to our staff regarding our commitment to safe production and handling."

## BACK UP YOUR PROGRAM

A successful offense is only as good at the training of the players. "Training and education are critical components of an effective food safety program," says Wegman's Pool. "People need to know how the things they do, or don't do, make a big difference. Training has to be basic and repetitive, and people need to demonstrate they understand the subject or issue being addressed."

"You don't just train, you explain," suggests PMA's Whitaker. "You have to make training personal. If you talk to employees about why they need to do what they're doing, it will stick with them better. Ask them about a favorite aunt, uncle, grandmother or child and then relate what they're doing to protecting that particular person.

It means something to them and makes it personal. It puts a face to food safety."

Effective training must be realistic and consistent. "Effective training is every bit as important as having the right food safety plan," says United's Gombas. "I've seen too many operations that think having a good food safety plan is the end of the process. Instead, a food safety plan has to be built into the company's operational culture, and that requires training. Training is only effective if it's well designed for the target audience and relevant to the audience being trained — a harvest crew doesn't need a course in microbiology; they need training in sanitary hygiene practices and handling of their utensils, containers and the produce itself."

"Training can look good on paper, but it also needs to be thorough and good in reality," points out Christou of Del Monte. "In order to ensure effectiveness, training needs to be frequently tested and improved. Special attention should be paid to the training on CCP technicians and the sanitation group."

## “Good records can make the difference between a company being implicated or cleared from a contamination event.”

— David Gombas, Ph.D  
United Fresh  
Produce Association

Food safety leaders put great emphasis on their training. "We also look at training our inspectors," says Markon's York. "We have long had field inspectors looking at quality and field inspections, but their role has expanded. They're another set of eyes for a food safety check, and training them and keeping them up-to-date is critical."

"We invested in CBT (Computer Based Training) with every person who works in our stores," says Pool. "Before a store employee starts at Wegman's, they go through this training. Anyone in a food preparation environment goes through more extensive training."

"Training is an important area we're moving into now with our own industry," says LGMA's Horsfall. "One of our new Technical Director's tasks is to create outreach to our industry to train and educate people."

Even the best food safety technology is at the mercy of the human element. "Our industry still relies on people, even as technology advances," says Taylor's McDonald. "Making sure everyone knows their role will make or break a program."

"Training and retraining are critical," agrees Primuslabs' Stovicek. "Success in food safety is not defined by an average or even an above average performance. It is defined by preventing the 'Black Swan' event, or the single negative event, that defines you and your firm in a way no one wants."

## PROOF IN THE PAPER TRAIL

Implementing a good food safety program is

one issue, but proving you're doing it is another. "Record-keeping is a critical aspect of any food safety program," states York. "For example, in the Leafy Greens Marketing Agreement, those who have been de-certified were hit mainly for paper violations. There is also the traceability aspect of record-keeping in having quick access to the information when you need it."

"Our program is documentation and record-keeping-intense," adds Horsfall. "The requirement is for everybody to keep the records for everything we check for at least two years. We check all the documentation every time we do an audit. A lot of the companies have moved to keeping records in an online environment to ensure against loss or other problems."

The quality and accessibility of records could make or break a company. "Good records can make the difference between a company being implicated or cleared from a contamination event," explains United's Gombas. "The most important aspect of records is for them to be accurate, all the time. In an investigation, if there is any indication that some records are missing or incorrect, the assumption will automatically be that they could all be incorrect."

"The important issue is to make sure records are complete," says PMA's Whitaker. "There should be a system of checks and balances in place so someone has the responsibility for going through those records, making sure things were done as they should be and looking for anything that needs to be addressed. If there is an issue, make sure a corrective action is put in place. Make sure you hang onto those records and that they're stored properly. You may even want to store them in multiple sites or an off-site record location."

Although recordkeeping may be a weak link for some, solutions exist to help all levels of companies maintain proper records. "Farmers hate paperwork, so this is the place where farmers miss the most questions on the audit," reports Stovicek. "Many are learning the importance of logs. We tell them if it is not written down, it did not happen."

Gombas relates, "A common complaint I've heard is, 'I'm a small grower and we only have a few employees' or 'If I have to fill out dozens of records every day, I won't get the work done and I'll be out of business.' Recordkeeping practices must be right for the operation. Some operations need to complete dozens of records every day, others only need a few records."

## RECOGNIZE BUYER STEPS

While long required to keep their own separate health programs, buyers are increasingly involving themselves with produce-specific initiatives. "We've had criticism from the shipping community that all the food safety expectations are being put on the grower/shippers," says Markon's York. "To some degree, they're right and to some degree, much of the focus needs to be on them. However, there is a role we, as buyers, have to play and we need to acknowledge it and take it seriously, in both our transportation and handling component. If we do everything right along the way and the foodservice operator or consumer cross-contaminates, we still have a problem."

United's Gombas shares, "One complaint I've



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Reader Service # 19

heard is 'If I'm doing all this to keep the produce from getting contaminated, then what's my customer doing to keep it safe?' Except for growers/shippers, much of the rest of the U.S. fresh produce supply chain already operates under mandatory state or federal regulations."

As food safety emphasis in the produce industry grows, so are additional programs undertaken by buyers. "A lot of people in the buying community also have food safety programs they're enacting within their own facilities," reports Whitaker. "They have equipment sanitation programs and worker training they're using to ensure produce is safe at their particular venues. They're investing in the food safety equation and it's important for people to understand. Everybody is working hard to ensure they're managing the food safety question as best as possible."

"There is a big role we buyers can play in training," explains York. "At Markon, we have developed programs to demonstrate food safety practices for our customers."

"Wegman's does extensive employee training and that takes time and costs money," reports Corsi. "Everyone who works in our stores is food safety trained, and depending on where you work and what you do, some people receive much more training. At the corporate level, we have many people working on food safety issues, for both produce and other products. We spend a fair amount of time working at the national level with the trade organizations representing the retail and produce sectors. We serve on committees at FMI, PMA, United and the Center for Produce Safety, to name a few. Specifically, Danny Wegman serves

as the chair for the FMI Food Safety Taskforce. Like we've said, the commitment to food safety starts at the top."

### PUSH FOR AUDIT EQUIVALENCY

The buying community has taken measurable steps to ensure suppliers have food safety programs, but not without difficulty in implementation. "Most of the buying community is very actively involved in monitoring the food safety steps being taken by their suppliers," explains LGMA's Horsfall. "But, right now there is a huge variety of audits being required — most of them looking at the same thing. The buying community can help us look at these issues and reduce the number of duplicative audits. This will squeeze costs out of the system as well. We're all working collectively to address those issues and reduce that burden on the grower community."

"One of our greatest challenges today is the lack of a consistent and agreed-upon standard for food safety audits," agrees Taylor Fresh's McDonald. "Today, the produce industry faces multiple, redundant audits, which in most cases are not interchangeably acceptable to different buyers. Most buyers will only accept the results and certification of certain certification bodies, thus leading to a proliferation of different audits for different buyers."

A move toward equivalency in audits will benefit buyers and suppliers alike. "As buyers can become more consistent among each other in their requirements, it will benefit food safety," maintains PMA's Whitaker. "We're seeing a change and a shift in this as we look for ways to obtain

equivalency in food safety programs. It's a hard change because of the complexity of the supply chain, but more and more buyers are moving in this direction."

"As an industry, the harmonization of audits is key," agrees Dachman. "At Sysco we have identified a list of products we consider to be high risk and we require the supplier to meet GAPs with an acceptable third party audit, allowing them to choose from our list of approved audit companies. We allow them to download their information from any one of those approved audits to show us they're meeting the requirements. It's critical to come to some standard audit requirements and we're working on that as an industry."

Wegman's is known as a great example of a pro-active retailer in their work with and requirements from suppliers. "Wegman's requires GAP for their large national suppliers, but then they take on the responsibility to work with local growers to set up training and education programs," explains Whitaker. "They are requiring them to use the USDA national GAP, but helping them understand how to do it."

"At Wegman's, we've taken the position that anyone supplying certain commodities to our stores or distribution centers must demonstrate they have food safety programs in place, or we can't do business with them," reports Corsi. "In most cases, this is taken care of with a third party GAP or food safety audit. Specifically, this requirement applies to lettuce and leafy greens, tomatoes, netted melons such as cantaloupe, herbs and green onions. It applies regardless of the size of the grower/supplier. Large, national suppliers are well

## ARE YOU PREPARED FOR CRISIS?

Crisis management is something many companies don't think about until they're in the middle of a crisis, and then it's too late. "The best example of many companies dealing offensively with food safety is the preparation of crisis management programs," says Tim York, president of Markon Cooperative Inc., in Salinas, CA. "This is a sign people in the industry are dealing proactively and not just sitting back and waiting for another crisis."

"The time to plan how to handle a crisis is not when the crisis is happening," agrees Dave Corsi, vice president of produce and floral merchandising for Wegman's Food Markets, a 75-store chain based in Rochester, NY. "We have a crisis management team at Wegman's consisting of people from different parts of the company, and their responsibilities are well defined and understood. We assembled this team to understand everyone's roles, what steps are necessary when a crisis hits, and all of us are working in unison with communication to our store personnel and our customers."

"Every company should have a crisis management program," asserts Bob Whitaker, Ph.D., chief science officer for the Produce Marketing Association (PMA) in Newark, DE. "And this

isn't just for food safety issues. There are a number of different crises companies can face, such as labor issues, fires, etc. It is important to have a plan mapped out so you don't have to make it up as you go along when you're facing so many issues hitting you at once."

Everyone hopes they'll never need a crisis plan, but one can mean the difference between life and death for a company. David Gombas, Ph.D., senior vice president of food safety and technology at United Fresh Produce Association in Washington, D.C. explains, "It's important for produce companies to know they don't have to do anything wrong to get caught up in a recall. Every company I have helped work through a crisis has been shocked to discover they were implicated in an outbreak or their product was adulterated and they had to recall. An operation prepared for a crisis can get through it quickly and efficiently, which can reassure both public health agencies and customers that the operation knows what it's doing. If an operation is not prepared, the crisis can drag on for days or weeks, end up as a media headline, lose customers and increase the company's vulnerability to a lawsuit."

With specific respect to food safety, it's important to have a plan worked out to know who will play what role. "The components of a plan are unique for every company and product, but the core components should include information processing and communication expectations," states Drew McDonald, vice president of national quality systems for Taylor Fresh Foods Inc., based in Salinas, CA. "In this day and age with the speed of information, a crisis can happen very quickly and information can come in many different forms. Making sure one's program is designed to handle and process the information inputs is critical."

"Some considerations include having the names and contact information for key personnel you'd need to contact in the event of a crisis," advises Whitaker. "A good call list should comprise state and federal regulatory people, key customers and employees and local- and state-level health department contacts. Secondly, you need to already have identified a team of people both inside and outside your company to manage the crisis, along with a crisis management leader. It's often better for the leader to be different from the company president so he/she can be man-

equipped to deal with food safety issues, but we had concerns about smaller, local growers."

Wegman's Pool continues, "We have a well established network of local growers that we deal with in our market areas, and these folks deliver their products directly to our stores. We started working with Cornell University in 2004 to develop a GAP education program specifically aimed at small growers, and we did the first training sessions in 2005. We've done them every winter since and now include Rutgers University, the Department of Agriculture and Markets in New York and New Jersey, the USDA GAP program, Penn State and others. There is no charge to the growers other than their time and we provide training materials, breakfast and lunch and this year, we did a one-time reimbursement to growers who got their USDA GAP certification to help them offset the cost of the audit. We have some local growers who did not get GAP-certified and we are not going to be able to do business with them next season until they are able to provide us a copy of their GAP certificate."

## MOVE FORWARD WITH RESEARCH

A winning playbook must be based on actual statistics and real-world information. Unfortunately for the produce industry, there have been a lot of scientific holes in putting together food safety strategies. "The leafy greens industry is doing everything we know to do today, but we still need more science-based information," explains Horsfall. "The metrics we use were put together by

industry experts, university scientists and regulatory agencies, and based on the available science at the time. We borrowed the most applicable science, but we'll know more as we have our own specific research done. The exciting thing is that a lot of very smart people are focusing on how these pathogens get into our crops and how we can lower the risks. As the science becomes available, it will help us really tighten up and know what we need to do down the road."

**"One of our greatest challenges today is the lack of a consistent and agreed-upon standard for food safety audits. Today, the produce industry faces multiple, redundant audits, which in most cases, are not interchangeably acceptable to different buyers."**

— Drew McDonald  
Taylor Fresh Foods Inc.

aging behind the scenes while the president is serving as spokesperson. Identify everyone who can add value to that team — someone from the production side, someone who understands the customer side, maybe a legal representative. Make sure everyone understands your business before there is a crisis."

Gombas adds, "Every operation, regardless of size, should have a recall team including, at a minimum, a person who will be in charge during the crisis, a person who will know the details of the operation and the affected product — where it came from, how it was handled and where it went — a person that understands the company's legal rights and obligations and a person who will be in charge of communications — with the public health agency, with customers, with the media and with employees. These people don't all have to be full-time employees of the company (except the person in charge), but the operation has to be able to bring these people together at a moment's notice."

Another important step is to prepare some templates of communication documents in advance. "You don't want to be in the position of writing everything from scratch while you're in the middle of a crisis," advises

Whitaker. "You also want to be prepared at the Web site level and to have a mechanism in place where you can post information and activate it immediately."

As with most things, practice makes perfect. "Have a mock recall event at least once a year," suggests Whitaker. "Get people together so if a crisis does occur, everyone knows how to work together as a team. You want to make sure you're protecting the public health and minimizing the damage to your company."

"Mock recalls should be done to truly test the system. After-hours contacts, trace-forward and trace-back scenarios should all be considered," says McDonald. "It should also include a learning mechanism. When deficiencies are found, then the system has to be designed to be modified and improved."

"The recall team has to practice the plan periodically just like a fire drill," remarks United's Gombas. "The importance of being trained and prepared for a crisis is why United Fresh developed the course Training for a Recall, Communicating Under Fire, which provides crisis training specifically designed for fresh produce companies. But regardless of whose training they take, every company should have a team that is trained and prepared."

"We need to keep pushing for improved science to develop enhanced standards," adds McDonald. "By funding research with practical applications we can more quickly get to food safety solutions with meaningful impact."

Focusing on practical and useful parameters for research requires close industry collaboration. "Industry and research groups should work together with government and food companies in order to make food safety programs more effective through scientific studies," advises Del Monte's Christou. "Industry associations are working with suppliers to come up with new metrics to give to the FDA as industry recommended guidelines, such as the tomato metrics."

"Our level of understanding of the actual 'risk' associated with various agricultural practices is an ideal field for multi-disciplinary researcher teams," suggests Azzule's Regusci. "Our needs in this area are so great that there is really no need to focus on theoretical hazards that are adequately addressed from the body of existing information."

The Davis, CA-based Center for Produce Safety (CPS) is perhaps the industry's forerunner in applicable research, which was started with generous donations from Taylor Farms and PMA, and additional funding from the California Department of Food and Agriculture. Wegman's Pool says, "The CPS is funding research aimed directly at better understanding things such as the role irrigation water plays in potential contamination of produce; how *E. coli* survives in soil and water; and how to reduce *Salmonella* contamination of tomatoes. All the research projects are being funded by the produce industry to help

Desert Glory Ltd, in San Antonio, TX, has a crisis management program that provides a road map and resources in case of an emergency. "It is important that a crisis plan be more dynamic than a binder or an intranet site available to employees who might or might not have seen the plan when it is needed," states Bryant Ambelang, Desert Glory's vice president of sales and marketing. "Desert Glory engages on a regular basis in mock recalls that allow us to be operationally certain that our recall procedures work. Traceability at Desert Glory has been a discipline we've employed for more than 10 years."

"Markon has a thorough crisis management program in place," says York. "Our program has 36 different steps, dealing with everything from convening a crisis management team, to getting our PR folks in place, to assessing what's going on in the media, looking at the extent of the problem and identifying what we can do. It also includes looking at what audiences we need to reach out to, looking at what state or federal agencies we need to be involved in, communications with industry associations and suppliers and bringing in third-party experts where necessary."

enhance the safety of produce."

CPS believes it can help the produce industry in four ways. Bonnie Fernandez-Fenaroli, CPS' executive director, explains, "By identifying and prioritizing research needs, creating partnerships to get the research done, reaching out to all industry stakeholders regardless of their experience with food safety problems or research needs, and facilitating an open dialogue between researchers and business, we can provide practical and real-world help to the industry."

**"Wegman's does extensive employee training and that takes time and costs money. Everyone who works in our stores is food safety trained, and depending on where you work and what you do, some people receive much more training."**

— Dave Corsi  
Wegman's Food Markets Inc.

The Center for Produce Safety has funded 24 research projects throughout the past 14 months by bringing together private and public partners. To date, the shared investment in research amounts to more than \$3.7 million. To better identify and prioritize research needs, the CPS Technical Committee and experts convened through the CPS Partners in Research program have jointly identified research priorities for the RFPs. "A collaboration of industry, academic and government talent thereby provided targeted projects that are specific to answering agreed upon research questions," explains Fernandez-Fenaroli. "Early CPS grants funded research projects focused on the introduction and identification of pathogens at the field level. Later projects addressed questions related to wildlife and processing practices. Research is needed to answer questions across the field-to-fork chain."

To facilitate dialogue, the CPS will hold its First Annual Research Symposium, in June, 2010. "The symposium objectives include creating a forum for scientists to present the results of new food safety research funded by CPS and its partners," says Fernandez-Fenaroli. "It will also facilitate open dialogue among scientists, produce industry stakeholders and regulators regarding the practical implications and applications of the research for specific operations."

The produce industry, especially food retailers, have also been proactively supporting food safety education through the non-profit Partnership for Food Safety Education (PFSE). Shelley Feist, exec-

## FOOD SAFETY FROM A GLOBAL PERSPECTIVE

*An interview with Nigel Garbutt, Independent Chairman of GlobalGAP in Cologne, Germany.*

### Q: Is the U.S. produce industry moving forward fast enough on food safety issues?

A: From GlobalGAP's perspective, we recognize the U.S. produce industry has accelerated its response to food safety outbreaks over the past 12 months. This has to be welcomed [by the industry] and the efforts such as those being undertaken by United Fresh — to establish greater awareness of effective Good Agricultural Practices and their certification on farms — will be crucial to achieving fewer incidents in the future.

### Q: Are we ahead of, behind, or at the same level as other developed countries in the world?

A: Historically, food safety in the United States was considered to be within the domain of the regulators seemingly requiring a less proactive approach by the industry. In parts of Europe, regulators have enforced a "due diligence" approach, where all food chain operators are required to establish their own systems of control. To prevent the proliferation of industry standards, schemes and audits, GlobalGAP has brought the industry together on a global level to harmonize efforts to develop a more effective and efficient response. We are working with United Fresh toward the goal of a single agreed standard and audit for the United States.

### Q: What are some major lessons/tips the U.S. industry could learn from other countries on food safety?

A: Encourage producers to think about their own farm/ranch and to identify what the potential risks are and work to eliminate them. We should not try to tell growers how to grow crops or be over prescriptive. This one-size-fits-all approach will fail to deliver

the necessary control, as well as make it impossible to accommodate all crops and situations. Rather, a standard should provide guidelines, tools and key control points that can be implemented as Good Agricultural Practices. Most GAPs make sense to growers.

### Q: What are the new or upcoming issues in food safety that we should be prepared for?

A: GlobalGAP is evaluating these emerging microbiological food safety issues to see what lessons can be learned for its new standard version, which has been under consultation this fall. These issues were discussed during our outreach program to five continents where 500 experts from 50 countries participated in round-table discussions on the subject.

As an industry, we need to keep the eye on the ball as food safety has many facets. Fundamentally, it is about having an inclusive overview of issues such as water availability and quality, pesticide usage and even how workers are treated. These factors are interdependent, and when properly considered, ultimately lead to safe and sustainable products in which consumers can have confidence.

### Q: How can the produce industry have a truly global perspective on food safety?

A: The produce industry has become globalized and food safety scares don't respect geographical or political boundaries. The challenge in the United States is to realize that this is not a competitive issue, but affects us all. We should also help get information and support out to the smaller and local producers who maybe don't have the established network of larger organizations. "Think global but act local!" really works in this context.

utive director of the PFSE in Washington, D.C., states, "Both the Produce Marketing Association and United Fresh are active members of PFSE. PMA has further been a contributor to the PFSE effort to develop six steps to safer fresh fruits and vegetables, as well as our exciting current project, the new consumer site at [holidayfoodsafety.org](http://holidayfoodsafety.org)."

"There are now at least 60 companies in the Be Food Safe (BFS) network," reports Feist. "Licensed retailers will continue to have access to a protected download area at [befoodsafe.org](http://befoodsafe.org) where they can obtain graphics, flyers and brochures, scripts, press release templates and other information to help them include food safety education in their programming with customers."

PFSE expects to engage retailers in an educational effort around Recall Basics, which is designed to help orient consumers to things they should know about recalls and what to look for in products they have in their homes. Feist says, "We

will continue to convene a BFS Retailer Advisory Group that meets every four to five weeks on conference call to discuss safe food handling topics and to provide guidance on approaches, formats and timing of consumer outreach efforts." **pb**

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# Tricks Of The Trade For Successful Spring Merchandising

*Focus on holiday promotions to get consumers thinking about fresh produce in the Spring.*

BY CAROL BAREUTHER

**Springtime, especially the early spring, is a kind of twilight zone when Southern hemisphere production is wrapping up and domestic harvests are just starting. This can make promotional planning around specific items difficult.**

The best game plan, according to Jeff Fairchild, director of produce for New Seasons Market, a 9-store chain based in Portland, OR, "is to bring that season from winter to spring by focusing on the holidays and promoting what's available around those themes."

## NATIONAL NUTRITION MONTH: March 1 to 31

This annual monthly designation, started by the Chicago, IL-based American Dietetic Association in 1973, highlights the importance of making informed food choices and developing sound eating and physical activity habits. The Wilmington, DE-based Produce for Better Health Foundation (PBH) offers retailers a variety of materials to promote fruits and vegetables in celebration of National Nutrition Month.

Kristen Stevens, PBH's senior vice president, reports the organi-

zation "will offer free downloadable Fruits & Veggies — More Matters materials such as point-of-sale tool kits. Elements of the tool kit will focus on tips to get kids to eat more fruits and vegetables, overall healthful eating, weight loss tips and ways to include fruits and vegetables while remaining within a family budget."

## MARCH MADNESS: Month of March

March Madness is the moniker given to the National Collegiate Athletic Association (NCAA) Men's and Women's Basketball Tournaments, a series of playoff events that start the first week in March and culminate with the naming of the year's national college basketball champions by the end of month.

Robert Schueller, director of public relations for Melissa's/World Variety Produce Inc., in Los Angeles, CA, says, "Just like merchandising around the Super Bowl, this is a time to promote snack foods such as guacamole and salsa. Increase the size of avocado and tomato displays and cross-merchandise these items. People are eating better these days, so be sure to offer items such as carrots, celery and jicama for dipping, in addition to chips. Of course, merchandising always steps up a notch when a hometown team is in the playoffs. This is an occasion to dress up the department with the team colors."

## ST. PATRICK'S DAY: March 17

Promote anything green, recommends Schueller. "This includes fresh herbs, sugar snap peas, leeks, green kohlrabi, leafy greens, squash and cabbage," he details.

Cabbage is a staple promotional item for this holiday's traditional dish of Corned Beef and Cabbage. Maureen Torrey Marshall, vice president of Torrey Farms Inc., located in Elba, NY, says, "We see significant movement in cabbage in cities with large Irish populations, such as Chicago and in the Northeast. Retailers will often make cabbage a loss leader and advertise it for anywhere from 5-cents to 19-cents per pound." The company offers high-graphic bins to merchandise cabbage during peak sales periods. Torrey Marshall



Growers are expecting a larger than average artichoke crop this season.

adds, "Many produce departments will cross-merchandise corned beef with cabbage as well as carrots, potatoes and onions."

## PASSOVER: March 29

The first Passover Seder starts at sundown on March 29, and it begins an eight-day religious celebration for those of the Jewish faith. Schueller points out, "Passover is a time when traditional foods are eaten. Sales of horseradish can triple during this time so it's best to stock up and display horseradish on an end-cap, along with other

traditional ingredients that are both symbolic and edible such as beets, parsnips, variety potatoes, onions and fresh herbs."

## EASTER: April 4

Easter, a Christian celebration, is a family holiday that features ham and turkey along with side dishes and desserts that incorporate springtime produce items such as artichokes and strawberries.

Kori Tuggle, marketing manager for Ocean Mist Farms, in Castroville, CA, notes, "March through mid-May is peak season for artichokes. The crop generally starts peak-

ing on the jumbo to large sizes in March. May is the peak for the foodie favorite size: the baby artichoke. This year will be one of our largest in terms of volume. There will be plenty of promotional opportunity."

Artichoke household penetration is approximately 30 percent nationally, adds

# How Three Retailers Promote Spring Produce

**A**sparagus, strawberries, pineapple and salads are among the top produce items promoted around an Easter or Spring theme in retailers nationwide.

Jeff Fairchild, director of produce for New Seasons Market, a 9-store chain based in Portland, OR, says, "It can be iffy with the weather, but we like to promote first of the season asparagus and strawberries for Easter. For the asparagus, we partner with a grower in central California. For the strawberries, we look for a supplier where we can offer high quality berries and aggressive pricing. It really brings people to the store when these two items are on ad."

At B&R Stores Inc., an 18-unit chain headquartered in Lincoln, NE, which operates under the Super Saver and Russ's Market banners, produce director, Randy Bohaty, agrees. "We will feature either asparagus, strawberries or pineapple as the lead ad item in each of our formats with the other two items also promoted at the same time." He adds, "Up until Easter, we stock asparagus as a convenience to our customers. But, for Easter, we expand the display size from 1 to 4 feet, depending on the size of the store, and make sure it's in a high traffic area."

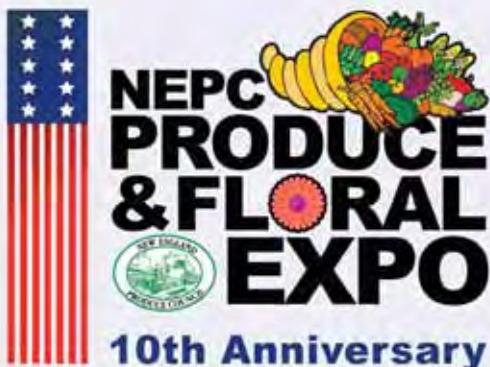
In addition, clamshells of fresh strawberries are cross-merchandised with shortcakes from the bakery. Whole pineapple, as well as fresh-cut pineapple displayed in a mobile refrigerated unit, are merchandised and signed as an ideal accompaniment to Easter hams.

Spring Salad Days are the theme of a two- to four-week promotion around Easter at Rice Epicurean Markets, a 5-store chain based in Houston, TX. Mark Luchak, director of produce, says, "We promote a variety of lettuces and bagged salads, as well as toppings such as pine nuts, walnuts and dried cranberries. We'll put these items on ad together as well as cross-merchandise them at the display, with different combinations during each week of the promotion."

pb

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Tuggle. "With less than half of shoppers making the decision to buy at the store, it increases the importance of reaching out to people at home about artichoke usage, nutrition and preparation. We've invested in our Web site, as well as social media tools such as YouTube, Facebook and Twitter."

"While weather is always a big factor, the data we have seen indicates that acreage is up this year for all berry varieties, including strawberries, raspberries, blackberries and blueberries," reports Gloria Chillon, director of marketing for Driscoll's, headquartered in Watsonville, CA. Specifically, we'll have significant production growth from our Oxnard, Baja and Santa Maria regions to help fulfill consumers' strawberry demand from January to early May."

"For strawberries, the 1-pound clamshell has been a consistent winner, but larger sizes, such as 2- and 4-pound clamshells, are growing in popularity as consumption continues to grow," Chillon adds.

Chris Christian, vice president of trade and nutrition for the Watsonville-based California Strawberry Commission (CSC), says, "The 2-pound clamshell of strawberries is the fastest growing item in the category. It represents 13 percent of strawberry sales, while the 4- and 1-pound clamshells comprise 5 and 75 percent of sales, respectively.

## Cinco De Mayo Promotions At Dorothy Lane And Schnuck Markets Highlight Recipes

Recipes are one method by which retailers at Dorothy Lane Markets and Schucks sell more produce for Cinco de Mayo. For example, Jose Manzano, produce director at the three-store Dorothy Lane Markets, based in Dayton, OH, offers customers the guacamole recipe he and his wife, Patty, enjoy. "Avocados are the big item to promote," says Manzano. "We build big displays and cross-merchandise tomatoes, onions and cilantro."

Recipes such as Southwest Steak Fajitas and Mexican Chicken Bites with a Cilantro-Lime Salsa have been merchandised in the past, along with other items such as beef skirt steak and chicken breast from the meat department. Manzano says, "Cinco de Mayo is a whole store promotion for us. We look at it as a party opportunity and a chance to add excitement to the shopping experience."

At Schnuck Markets Inc., based in St. Louis, MO, recipes such as Jicama, Corn and Pineapple Salsa were featured. At the same time, fresh jicama and tomatillos were featured on special as Schnuck's Pick of the Month items throughout the month of May. **pb**

Therefore, we recommend allocating half of the strawberry display to 1-pounders and the rest to larger sizes."

In addition to their everyday appeal, Chillon remarks, "Berries are still something special for family gatherings and holidays. A good merchandising strategy is to move the berry patch from the store to the home. Buy-one-get-one-free (BOGO) is a frequent

promotional strategy. Try expanding this concept to multiple berry purchases, for example, buy two strawberry clamshells and get a raspberry free. When customers try the idea of buying and using multiple berries in common situations, such as a holiday event or picnic, they will continue to do so, even when not on promotion."

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egory sales comes when strawberries are included in the ad with another berry item, says Christian. "Total berry category sales increase 113 percent when only strawberries are on ad, yet 140 percent when strawberries and one other berry item are promoted simultaneously."

## EARTH DAY: April 22

Earth Day is a commemoration that inspires awareness and appreciation for the environment and an ideal time to promote organic fruits and vegetables. Samantha Cabaluna, director of communications for Earthbound Farm, in San Juan Bautista, CA, says, "Earth Day is definitely a time of peak promotion for organic produce. It's important to understand that consumers who haven't purchased organic in the past may test the waters, as they search for a simple way they can help make a positive difference in the health of the environment."

Organic apples and pears are products Wenatchee, WA-based Stemilt Growers Inc., promote for Earth Day, shares marketing director, Roger Pepperl. "Storage techniques, low oxygen protocols and other tools, have allowed us to keep organic fruit longer into the season. We'll have organic Anjou and Red Anjou pears in April as well as a nice selection of organic apples such as Red Delicious, Golden Delicious, Granny Smith, Fuji, Braeburn, Cameo and Pink Lady." Pepperl adds, "We offer a cohesive, themed program designed to run for two to three weeks around Earth Day that provides signage, posters and ads that tie into our sustainability program and its efforts."

Similarly, Cabaluna notes, "We develop an integrated information- and activity-rich promotion that touches consumers at retail — with a coupon — and through the Web — with an activity and a giveaway — with the goal of increasing enthusiasm for choosing our organic produce, then we roll that out to our retailers. We always make it turnkey to give retailers an easy way to celebrate this organic 'holiday.'" For its Earth Day 2010 promotion, the company will include the promotion of co-founder Myra Goodman's new cookbook, *The Earthbound Cook*.

Melissa's will also introduce its new cookbook in April, *Melissa's Everyday Cooking with Organic Produce*, which offers more than 400 recipes, including quick-prep recipes and deliciously easy variations, as well as a special section of meatless options for vegetarians. Schueller says, "We will have shippers available for the book to be merchandised directly in the produce department."

## CINCO DE MAYO: May 5

Cinco de Mayo is a Mexican national holiday, says Melissa's Schueller, "that today, has been Americanized. Therefore, it is important to stock and promote the right mix of ingredients, both traditional and more contemporary, based on store demographics and past sales data. This can include fresh chilies, Latin vegetables such as tomatillo, jicama and chayote, plantains, limes and avocados for guacamole."

Avocados are an especially attractive item for promotion. According to the Irvine,

CA-based California Avocado Commission (CAC), avocado shipments for Cinco de Mayo in 2009 reached 63.6 million pounds, up from 55.7 pounds in 2008, and overtook Super Bowl as the largest single holiday for avocado sales in 2009 by more than 10 million pounds. Jan DeLyser, vice president of merchandising for the CAC, says, "Festive display techniques using colorful props and signage as well as references to Cinco de Mayo remind shoppers of the occasion. Increase the size of your primary avocado display as well as move the primary display to the front of the produce department to



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drive awareness of the holiday."

The CAC offers display bins with the Hand-Grown in California thematic, header cards and recipe tear-pads. DeLyser adds, "Research has shown that multiple displays of avocados increase retail sales. Consider a primary display of avocados displayed next to tomatoes, followed by a secondary display near limes/lemons. These combinations have been shown to be the most effective at driving increased sales/volume. Research also demonstrates that displaying at least two sizes of avocados at retail increases sales and volume while building your category in the long term. To have the largest impact at retail, sizes and price should be easy for consumers to distinguish."

In addition to consumer advertising, the CAC will also embark on an extensive trade, public relations, online and social media program this year. Facebook, Twitter and YouTube activity will increase. DeLyser says, "Our social media tactics focus on the sharing of useful and interesting content that appeals to the California Avocado fan, including artisan chef recipes, grower stories, tips, press coverage and events.

Tomatoes are a big part of Cinco de Mayo and other spring produce promotions. Kieran Comito, vice president and treasurer for Capital City Fruit Co. Inc., based in Norwalk, IA, reports, "In the spring, we get tomatoes out of Florida and Mexico. Promotional volumes can change weekly as a result of the weather. The best advice for retailers is to take advantage of hot buys when the volume is up and there's an attractive price."

The Maitland-based Florida Tomato Committee offers hands-on help as well as promotional materials such as recipe cards, signage and posters for field tomatoes. Samantha Winters, director of education and promotions, says, "We'll have our merchandising team working with retail buyers this spring. They'll be communicating our latest research, as well as offering a menu of customized promotions such as display contests."

#### MOTHER'S DAY: May 9

Melissa's Schueller knows, "Mother's Day is a great time to promote omelet and breakfast ingredients such as herbs, mushrooms and fresh fruit."

Asparagus is also a vegetable that is often featured for this holiday. Tom Tjerandsen, spokesperson for the El Centro-based California Asparagus Commission (CAC), says, "The California industry starts harvest around January 20th and

## Five Retailers Creatively Partner With Produce For Kids

Five retailers across the nation — Publix Super Markets, the southwest division of Kroger, Meijer, Price Chopper and Giant Food — were among those that participated in the Spring 2009 Produce For Kids (PFK) fund-raising campaign. Each retailer creatively customized the promotion to make the biggest impact in its stores.

For example, Publix featured PFK in its in-store cooking program called Aprons. Two recipes were developed using Publix suppliers' products. These recipes were featured in all Publix stores with an Aprons program. The recipes were Chicken Veggie Confetti Wrap, which called for carrots, celery, broccoli and onions and Fun and Fruity Salsa, which contained mangos, apple slices, pineapple, tomatoes, Vidalia onions and bell peppers.

Kroger stores in Dallas and Houston, TX, hosted an in-store scavenger hunt for a group of children who were former patients at Children's Medical Center. Upon arrival, the kids received a product list and a Kroger reusable shopping bag. The kids then raced to find at least nine of the 13 sponsors' selected items in the produce department. The first child to locate all nine items and

promotional volumes remain strong through Memorial Day." Ideally, Tjerandsen recommends, "Retailers should carry large and small diameter asparagus as well as those that are medium-sized. There are different usage occasions for all three, so one doesn't cannibalize sales of the other; sales are incremental."

One of the most frequent consumer questions to the CAC, says executive director, Cherie Watte Angulo, "is where can they find the larger diameter asparagus." Limited quantities of a new asparagus variety, developed by the University of California and called UC115, is being planted this year, says Angulo. "It has a longer green spear and tighter tip."

The CAC warns asparagus should not be displayed in standing water due to the risk of microbial contamination. Instead, spears should be merchandised upright in bunches on a moisture pad.

#### MEMORIAL DAY: May 31

Memorial Day is a time to recognize those who have served their country. "It's



Photo courtesy of Produce For Kids

reach the finish line received a Kroger gift card valued at \$50. The remaining kids received gift cards valued at \$10.

Meijer featured PFK in its 'Party in the Parks' community service program throughout the month of June. Sponsor's products were distributed along with coupons and information about the campaign. The events were held in local parks in Grand Rapids, MI, throughout the summer. Local television station WOTV provided extensive television coverage of the events.

Price Chopper and Giant both featured the PFK program in their monthly media outreach. Both retailers have relationships with local market TV stations where the retailers' in-house Registered Dietitians do segments about healthy eating that air on local television.

pb

also the first official barbecue day of the year," reminds Schueller. Fresh ears of corn, potatoes and newly harvested sweet onions are big seasonal promotional items for the grill.

Jason Stemm, spokesperson for the Maitland, FL-based Fresh Supersweet Corn Council, says, "Depending on the weather, supersweet corn will be in good supply out of Belle Glade in Palm Beach County, FL, in March, April and May." Retailer and consumer demand is for 50 to 60 percent bi-color with the rest of the crop evenly split between yellow and white corn, reports Stemm. "We've also started to see more value-added corn products, such as husked, microwave-ready ears, ears cut in half, mini-cobs for snacking and cut 3-inch wheels of corn for use in soups and salads."

This year, the Council will offer new in-store radio commercials, POS signage and display posters that tell the story of the three and four generations of Florida farmers who grow the state's supersweet corn.

Glen Reynolds, produce buyer for potatoes and onions for the Raleigh, NC-based L&M Companies Inc., remarks, "Russet and

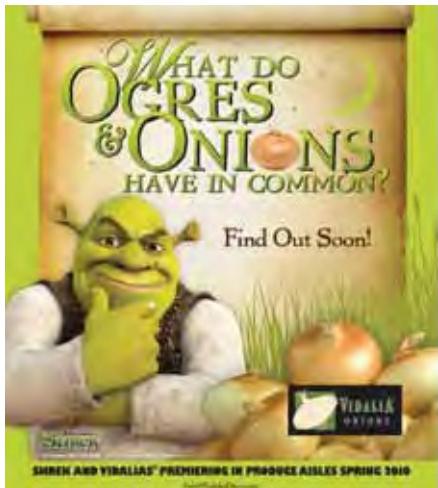


Photo courtesy of the Vidalia Onion Committee

### The Vidalia Onion Committee is teaming up with Dreamworks' *Shrek IV* to create kid-friendly POS material.

red-skinned potatoes are popular for cookouts and potato salads. We sell a good volume this time of year. In addition, Vidalia onions start in mid-April and are available fresh through the end of June."

Wendy Brannen, executive director of the Vidalia Onion Committee (VOC), based in Vidalia, GA, says, "Years ago, Memorial Day meant hot dogs and bratwurst. Today, you see a lot more vegetables, such as Vidalia onions, on the grill, as people try to eat more healthfully."

This year, the VOC is partnering with Dreamworks Animation in a promotion that utilizes the Shrek character to reach a younger and newer generation of customers. The theme is: 'What do Ogres and Onions have in common? Layers of originality, Shrek forever after, Vidalia forever sweet.' Brannen explains, "The fourth Shrek movie will come out May 21st and it's the peak of our season. It's the first 3D Shrek, so there will be quite a media buzz. All of our POS materials will include the Shrek image, which has an 89 percent awareness rate with parents of kids ages 6 to 12, the highest of any animated character."

Posters, price/shelf cards and tear off pads with kid-friendly recipes such as Donkey's Savory Onion Parfait (sour cream with caramelized onions for fresh vegetable dipping), Swampy Joe's (sloppy Joe with chopped spinach and Vidalia onions in the mix) and Shrek's Toad Stool Stacks (vegetable loaded meatloaf), will support the promotion at retail and will be used in in-store display contests. The consumer who enters and wins the online sweepstakes and the produce manager who wins the display contest, will be rewarded with a trip to Universal Studios in Orlando to see the Shrek 4D attraction.

Suppliers of potatoes and onions, as well

as bagged salads, tomatoes, apples, oranges, bananas, berries and mangos participated in the Produce For Kid's (PFK) spring campaign last year. Kari Volyn, the communications director for the Orlando, FL-based organization, says, "Produce for Kids is partnering with several retailers and fresh fruit and vegetable growers to help shoppers give money to local Children's Miracle Network Hospitals this spring. From May to June, participating fruit and vegetable growers will make a donation to a local children's hospital based on sales of their items at participating markets."

PFK provides a complete turnkey promotional campaign that includes publicity, merchandising display materials, advertising support, Internet marketing and sponsor-funded donations. In exchange for participation in the campaign, retailers agree to promote the sponsors' products during the 60-day time period. Volyn asserts, "The benefit to the retailer is something fresh and new in the produce department that raises money for charity while also educating shoppers about the benefits of eating fresh produce, which ultimately drives sales."

Over the last six years, PFK and its partner retailers and participating fresh produce companies have raised more than \$2.4 million.

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Reader Service # 71

# Despite Record-Breaking Cold, Florida Produce Will Recover

*As farmers deal with the repercussions of the recent cold snap, they continue to be optimistic, ensuring Florida will continue to be a leader in produce production.*

BY JON VANZILE

**Local produce is alive and well at Winn-Dixie. The supermarket giant, with operations throughout the Southeast, works hard to "tell the story" of its produce — where it came from, how it was grown and even who grew it.**

"We push fresh and local," said Mike Krage, vice president of produce for Winn-Dixie Stores Inc., based in Jacksonville, FL. "It's the right thing to do for freshness. It's the right thing to do for sustainability because it takes less fuel to transport produce. And in this economy, it's vital to source with local growers as much as we can."

For Winn-Dixie, local means Florida produce, which is an asset considering Florida is one of the largest vegetable- and fruit-producing states in the country. Florida growers supply winter and spring cucumbers, beans, tomatoes, squash, berries, citrus, broccoli, lettuce, cabbage, celery, corn and other crops to the national market, with heavy distribution along the East Coast.

Florida's growers take an active role marketing their produce as local. Nichole Towell, marketing development manager for Duda Farm Fresh Foods Inc., in Oviedo, FL, points out, "All of our Florida product packaging contains the Fresh From Florida logo, which denotes the product was grown in Florida. This is a great way to bring attention to locally grown items."

Because of its long, mild winters, the Florida growing season is generally the opposite of Northern states — so Florida growers harvest in the win-

ter and spring. Depending on the crop, the Florida harvest generally straddles harvests to the south and north, with vegetables and fruits available through the winter and early spring months.

According to the Florida Department of Agriculture and Consumer Services, Florida growers supply about 70 percent of the winter fruits and vegetables consumed in the United States. At least that is how it is supposed to work...

## AN HISTORIC COLD SNAP

This year, in early January, Florida experienced the most severe extended cold snap and freeze the state had seen in decades. During the height of the snap, much of Florida's agricultural belt, which extends from Palm Beach County northward, experienced several nights of freezing temperatures.

All eyes turned to Florida's fields as experts waited to see what impact, if any, the cold weather would have on the Florida crop. "This is peak harvest season for many Florida crops, so damage at this time could have significant consequences," Florida Agriculture Commissioner Charles Bronson told *USA Today*.

Immediately after the freeze was over, both the Florida Department of Agricultural and United States Department of Agriculture officials traveled to farms across the state to assess the damage and determine if an emergency should be declared. In media outlets throughout the state, growers were reporting widespread damage to winter and spring crops. "We are continuing to examine a wide spectrum of crops that have been impacted by the freeze," reports Dan Sleep, supervisor and senior analyst with the Florida Department of Agriculture, located in Tallahassee. "Many products have temporarily scaled back harvesting and stopped harvesting completely to assess the damage. Measuring the impacts of a multi-billion dollar industry with thousands of growers isn't an easy task and involves vast amounts of data review, analysis and countless submissions from farmers."





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Reader Service # 37

As of late January, no emergency had been declared, but the full effects of the freeze had yet to be felt. Some crops — cabbages, broccoli and celery, for example — fared well during the cold weather. Others, such as tomatoes, were in between harvests, so growers averted some damage by simply waiting to do their second planting of the season. Still others, such as citrus and berries, experienced moderate to severe damage, while the jury was still out on damage to crops such as squash, peppers and beans.

"A letter went out to the Secretary of Agriculture, Tom Vilsack," says Lisa Lochridge, director of public affairs for the Florida Fruit & Vegetable Association (FFVA) in Maitland, FL. "It was a heads-up letter because we don't know the damage, but it might be significant."

### THE MARKET EFFECT

The freeze affected each grower differently, so it's impossible to generalize across the entire Florida produce industry. But based on previous experience with freezes in Florida, long-time growers and retailers predicted some typical fall-out that will affect prices, harvest and merchandising opportunities.

The most immediate reaction, they said, takes place in the fields. Depending on the crop, growers will either race to replace

## Florida: Land Of The Winter Tomato

For many years, Florida winter produce has been virtually synonymous with two crops: citrus and tomatoes. The Florida tomato season runs from October to June, and during these months, the state supplies the vast majority of fresh tomatoes eaten in the United States. Fortunately, the freeze is not expected to dramatically affect Florida's tomato harvest.

According to the Maitland-based Florida Tomato Committee, the fresh tomato market is concentrated in the Northeast and South-eastern United States, because that's where the majority of fresh tomatoes is sold. "According to the most recent Perishables Group retail scanner data, 70 percent of

fresh tomatoes sold in the country's supermarkets are sold in the Northeast and South-east," says Samantha Winters, director of education and promotion for the Florida Tomato Committee.

Overall, Winters reports fresh tomatoes contribute almost 7 percent of the overall fresh produce sales — a number that can be increased through effective merchandising.

"The power of a cross-promotional suggestion is boundless," Winters says. To support cross-promotional activities, the Florida Tomato Committee offers recipe cards, promotional posters and shelf cards to retailers with slogans such as "What Salads Crave" and "What Sandwiches Dream Of." **pb**

damaged crops with fast-growing vegetables, such as cucumbers and squash, or delay second plantings until the weather is more favorable. In either case, the result is a compressed harvest window about 90 days after the freeze event as growers pick everything they can before markets to the north start producing competitive produce.

"Everybody's going to replant and every-

body's going to come to market at the same time and we're going to suffer losses," said Chuck Obern, president of C&B Farms Inc., in Clewiston, FL. Obern grows corn, beans, peppers, tomatoes and eggplant. "And everybody's going to replant cucumbers and squash because they're the fastest growing crops."

Chuck Weisinger, president of Weis-Buy

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Farms Inc., in Fort Myers, FL, also predicted a market glut, with a compressed harvest and reduced prices. This "conventional wisdom," however, is far from settled. Several growers interviewed for this article scoffed at the idea of a market glut and said it would be impossible to tell how the spring crop would look.

"The winter crops got devastated," notes Brett Bergmann, vice president and general manager of Hugh H. Branch Inc., in Pahokee, FL. "But the spring crop should be OK. Everything is on schedule and I don't see it pushing back or moving forward."

Greg Cardamone, general manager for Raleigh, NC-based L & M Companies Inc., reported that his spring crop was hit hard. "Our Southern farm, in Immokalee, which produces peppers, cukes, tomatoes, chili peppers, squash and eggplants, lost 25 to 75 percent of the spring crop," Cardamone admits, just days after the freeze.

Duda's Towell remains upbeat. "The extended cold and freezing temperatures Florida experienced have had minimal effect on our vegetable crops," she reports. "At this time, we remain optimistic that our crops weathered the storm without any major damage or loss. All planting and harvesting operations on the farm have resumed."

While uncertainty due to Mother Nature is normal in the produce business, in some cases, growers themselves can complicate the issue: talking down their harvest, or conservatively estimating the availability of certain crops, making large retailers nervous about committing to promotional campaigns, which are frequently planned several weeks in advance for large chains. As a result, produce buyers might be tempted to turn to "sure thing" crops from Chile or Mexico to fill the shelves.

#### **HOW TO MERCHANDISE**

Clearly, the normal challenge of merchandising Florida spring fruits and vegetables becomes even more complicated in a year when an historic freeze warps the market. But there are still plenty of ways to move Florida produce — just as Winn-Dixie has done.

One major strategy is to focus on the increasingly popular "locavore" movement of shoppers who seek local, fresh produce. "We use billboards, circulars, radio and point-of-sale opportunities in the stores," says Winn-Dixie's Krage. "Our billboards throughout Florida feature family growers and specific farms. We really play it up."

Towell recommends retailers merchandise celery products by placing them adjacent to one another. Whole celery, hearts, sticks and branches located in the same dis-

play space make it easy for consumers to find and make selections. To grab shoppers' attention, channel strips and danglers are available to retailers promoting healthful attributes of the product," she adds.

Some large-scale growers, such as L & M, support such marketing programs by offering bios of individual growers and photos of the farms where the product is grown.

#### **NEW FLORIDA CROPS**

Traditionally associated with citrus, strawberries and tomatoes, Florida farmers have been diversifying for years to produce a huge

array of produce. In recent years, Florida farmers have begun planting sweet corn, beans, Chinese cabbage, and in the Southern part of the state, watercress and arugula.

"A number of growers of these crops have told us that the freeze will have no effect on the spring crops," Sleep says. "Our farmers look at the consumers' needs and try to fulfill those needs."

Another crop that has been making inroads in Florida is the blueberry, which is normally associated with colder climates. According to Lochridge at the FFVA, acreage of blueberries is rising.

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Reader Service # 85

# Mexican Mangos — Choosing Beyond Color

*As American consumers learn more about the many mango varieties available, color may matter less and less.*

BY JACQUELINE ROSS LIEBERMAN

**As we enter Mexican mango season this year, American consumers are just beginning to realize all that each variety has to offer.**

Mexican mango shipments to the United States are poised to begin in February, will peak in March and April and taper off in September. A majority of the mangos consumed in the United States (64 percent, according to the Orlando, FL-based National Mango Board) come from Mexico, which grows five of the six major commercially available varieties: Tommy/Atkins, Kent, Keitt, Haden and Ataulfo. (The Francine variety is available only from Haiti.)

Tommy/Atkins, which have a large amount of red blush on the skin, are the most widely available and most popular mangos in the United States. In addition to their popularity among consumers, retailers prefer them because of their long shelf life. As a result, many consumers are unfamiliar with green- and yellow-skinned mangos. "Consumers associate the red coloring of a mango with being ripe," says Wendy McManus, director of marketing for the National Mango Board (NMB).

"They think that red means quality. They just don't know," she says. "We're trying to let consumers know these green- and yellow-skinned varieties can be really fantastic."

"The average American consumer buys more with their eyes, and they associate red with 'good,'" adds Larry Nienkerk, NMB chairman and partner and general manager for Burlingame, CA-based Splendid Products LLC. "But the truth is, you can't judge a mango by its color."

The NMB has seen much success since it began working for the industry in 2006 to help educate consumers, retailers and foodservice professionals and drive increased purchases of mangos. "We are seeing these efforts gain traction," says McManus. "Mango consumption in the United States has quadrupled since 1990 to an estimated 2.2 pounds per person per year in 2008. Although data is not yet available for 2009, we believe the recent economic downturn will have slowed the demand growth, but not reversed the trend." She adds, "The growing Hispanic and Asian populations in the United States are helping to drive mango demand. In addition, U.S. consumers are becoming more adventurous in their eating choices and ethnic foods are increasingly popular."

Much of the NMB's efforts are directed toward consumer publications. "In 2009, our consumer media messages reached consumers over 409 million times," details McManus. "If we tried to purchase all of the space and time as advertising, it would have cost over \$22 million to do so," notes McManus. "That's 104 times more than what we actually invested to get the coverage."

"For our first four years, we've been focused on the mango basics — how to cut, select, ripen and store them, along with recipe ideas," McManus continues. "In the past year, editors started asking for more in-depth information, such as varieties and levels of ripeness." So this year, the board is shifting its goal from general education about mangos to teaching Americans about specific mango varieties.



Ataulfo mangos are a growing segment of the mango category.

Photo courtesy of Citru Brothers LLC



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As a direct result of this feedback, the board developed Virtual Test Kitchen, a program designed to provide in-depth education to editors and writers at national magazines, top newspapers and Web sites about mango varieties and how to use mangos at different levels of ripeness.

In addition, mangos will be featured on a full-page, full-color newspaper article to be published in the food sections of major daily newspapers across the country during the spring and summer months. Ingrid Hoffmann from Food Network's television show *Simply Delicioso* will also share some of her favorite summertime mango recipes for a segment to appear on cable television on the Home and Health Report and on the iTV network of cable news station Web sites throughout the summer. The segment will include a recipe demonstration, as well as education about the selection, ripening and cutting of mangos. "Based on similar programs in the past, we expect this video to be viewed approximately 28 million times," predicts McManus.

The NMB aims to reach consumers at the retail level as well. "As always, we will be working with retailers across the country to set up effective promotions for mangos," McManus reminds. "Our promotional funds are limited, so we try to be very fair by matching the allocation of funds to the volume of the crop. As a result, we will aim to spend 39 percent of our retail funds in the second quarter and 26 percent of our funds in the third quarter. We will spend roughly \$260,000 to set up retail promotions during these two periods, which will impact the Mexican mango season."

Retailers can expect to see some changes in the information the board provides for their use as well. "Just as we are taking our consumer education to the next level in the media, we felt it was time to get more specific in how we talk to shoppers about mangos in retail stores," says McManus. "New POS will be available to educate shoppers about yellow- and green-skinned mangos. These were developed in response to retailers who report that when the mangos aren't red, their sales drop off. Each message will be available in an 11- by 7-inch header card or a 5- by 3-inch tear pad with a recipe on the back."

## SOMETHING FOR EVERYONE

It may be months from now before any of the NMB's efforts begin to have a real impact on consumer buying habits, and some retailers are wary of carrying mangos other than Tommy/Atkins.

Publix Super Markets Inc., based in Lakeland, FL, offers its consumers

**"New POS will be available to educate shoppers about yellow- and green-skinned mangos. These were developed in response to retailers who report that when the mangos aren't red, their sales drop off."**

— Wendy McManus  
National Mango Board

Tommy/Atkins, Haden, Kent and Keitt mangos. "The most popular mango we sell is the Tommy," says Maria Brous, director of media and community relations. "While the Mango Board is doing a good job of promoting the yellow- and green-skinned mangos, the effort is fairly recent. It will take some time for consumers to change their buying habits," she predicts.

But before the NMB's campaign has kicked into gear, a few consumers are already beginning to learn for themselves that every mango variety has something to offer. While Tommy/Atkins are large and fragrant with firm, juicy flesh, Kents are green-skinned and very juicy with a sweet, rich flavor. Yellow-skinned Ataulfos have a full, very sweet flavor, a velvety texture that lacks the fibers found in other mangos and a thin pit. "Even though this variety is generally smaller than its red or green counterpart varieties, you still get a very good amount of edible fruit," explains Sandra Aguilar, marketing manager for Ciruli Brothers LLC, in Rio Rico, AZ. Because of its difficult to pronounce name, Ataulfos are often sold under other names, such as the Champagne mango, marketed exclusively by Ciruli Brothers.

"Customers are definitely looking for more yellow mangos," admits Ronnie Cohen, vice president of sales for Vision Import Group LLC, located in River Edge, NJ. "It's definitely a growing presence in the mango category."

Chris Ciruli, chief operating officer for Ciruli Brothers, reports he has seen sales of

Ataulfos grow at a rapid rate, most likely because consumers are discovering their attributes. The Ataulfo's size, which is relatively smaller than the more predominant Tommy/Atkins, also makes it a good fruit to sell in multiples. "That helps drive sales," says Ciruli. "We've seen the fastest growth in six-pack clamshells."

Consumers themselves have driven much of the demand for multiple mango varieties up until now, "especially starting with the ethnic trade and then expanding into the general market," confirms Nienkerk of the NMB and Splendid Products, which markets Ataulfo mangos under the Honey Manilla name.

Retailers are also a force behind the growing sales of multiple mango varieties. "A lot more retailers seem to be featuring additional varieties beyond just the Tommy/Atkins," says Jerry Wagner, director of sales and marketing for Farmer's Best International LLC, based in Rio Rico, AZ.

In some cases, it is just a matter of consumers taking a chance on the varieties retailers make available, and many are surprised and happy with what they find. "The yellow and green varieties are becoming much more popular, much like boutique apples are becoming popular," says Nienkerk.

That interest combined with the NMB's newest efforts could mean several varieties are poised to take on popularity. "As the mango consumption in the United States matures and consumers become more educated about the other varieties and the excellent eating qualities they all present, retailers are more likely to promote them," explains Wagner.

## BETTER PROMOTIONS

Offering more than one mango variety is just a first step for retailers who wish to sell more mangos during the Mexican season. To encourage sales, retailers can take an active part in consumer education. They can do this with the help of the NMB as well as suppliers of Mexican mangos. "Among the main drivers that boost mango purchases at the retail level are education, promotion and consistent, good-eating quality," says Aguilar of Ciruli Brothers. "In addition to consistently good fruit, we provide our customers with POS signage; we add recipes to our value-added packaging; and we sponsor a consumer-based Web site to provide consumers with a wide array of mango information, including nutritional content, delicious recipes and preparation ideas."

Publix already promotes mangos through print ads as well as in-store. "Traditionally, when we feature mangos in our weekly ad,

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Photo courtesy of the National Mango Board.

New POS materials are available to educate shoppers about yellow- and green-skinned mangos, courtesy of the National Mango Board.

stores will demo them," explains Brous. "In addition, we have our Publix Simple Meals program where we create weekly recipes in-house. Each store demos the meal idea for the week, provides customers with a recipe card and then has all the ingredients necessary to recreate the meal at home conveniently located in an adjacent kiosk. Some of our weekly meals include mangos."

All of these merchandising techniques can lead to increased sales of every mango variety. "POS materials are an excellent way of educating the consumer, as well as demos and sampling. We have seen an increase in demand at retailer stores that demo the product," reports Gary Clevenger, managing member of Freska Produce International LLC, headquartered in Oxnard, CA. Because some consumers need convincing that mangos without red skins can be just as delicious as those with, sampling can be especially helpful.

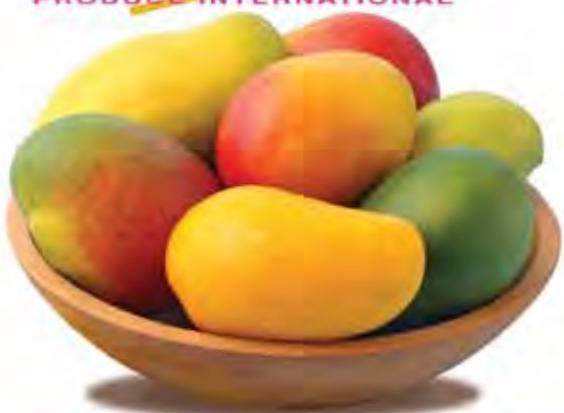
Now is just the beginning for mango consumption in America, and many believe sales will only increase as Americans learn just how many wonderful types are available to them. What's more, it is possible that additional varieties will be grown for American consumers in the near future. Although only six varieties of mangos are commercially sold in the United States today, Nienkerk predicts more will become available as growers expand the types of mangos they choose to cultivate for mass consumption, just as apple growers have done. "We look forward to the day when mangos can command a space on the shelves for multiple varietals, particularly as we expand the amount of varietals available," he says.

"The exponential mango consumption and untapped growth within the United States leaves a positive future that consumers will come to understand that color isn't the only thing that makes a certain mango variety very flavorful," adds Cohen of Vision Import Group. "It's a matter of time and consumer education."

**pb**

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# México

## MEXICAN MANGOS: QUALITY, DIVERSITY, AND FUN!

As more and more consumers seek out mangos, the world's most popular fruit, successful produce departments carry a variety of high quality fruit that will make customers come back for more of this fabulous tasting treat. Mexico is the third largest mango producer in the world and the number one supplier of fresh mango to the U.S. market, principally from February to August.

The Mexican mango is regarded worldwide as a high quality product, with exceptional organoleptic properties. A focus on Mexican mangoes will add fun to any retail department as well as displaying your expertise in providing fantastic tropical products to meet the growing consumer demand.

### QUALITY AND RELIABILITY

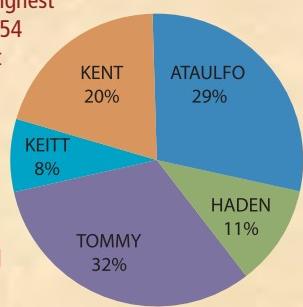
Mexico has a stable and consistent production of high quality mangoes. Production occurs in 23 of Mexico's states on a total of 171 thousand hectares. However in 2008, five states were the principal Mango producers, contributing 74 percent of the volume: Chiapas, Oaxaca, Guerrero, Nayarit, Sinaloa (from south to north). Additionally, 83 percent of the production is concentrated in the March to July season. The volume of the production of Mango in Mexico has shown a constant growth in the recent years, reporting an annual average growth of 2.3 percent in the 1995 to 2008 period.

### PRINCIPAL MANGO PRODUCTION AREAS IN MEXICO (HIGHLIGHTED IN GREEN)



Mexico's mango exporters work hard to produce a quality, safe and reliable product for consumption. Quality and food safety are very important areas for the Mexican mango industry. All mango exports are certified for Good Agricultural Practices by SENASICA (Ministry of Agriculture of Mexico) and the Mexican mango exporters association EMEX has devoted significant resources and time into ensuring all industry participants comply with the highest standards of certification. The Mexican industry has 54 packing plants equipped and authorized for export that comply with the national Phytosanitary standards.

In 2009, Mexico exported 43,000,000 boxes to the North American market and has a worldwide export capacity of 280,000 tons. The percentage exported by variety is shown on the following chart with the Ataulfo, Tommy, and Kent still being the most popular.



## DIVERSITY

The key to repeat mango sales is ensuring flavor! Educate employees and consumers on the varieties available from Mexico as well as the fact that different

varieties come in different colors. Promote the variety and showcase that mangos of all colors can be ripe, sweet and good to eat.

VARIETY	SEASON	SHAPE	COLOR	TEXTURE
<b>Haden</b> 	March to May oval to rounded	Medium to big and touches of red color	Green to yellow with	firm
<b>Tommy/ Atkins</b> 	April to June	Medium to big with oval or elongated form	Golden or greenish rind shamefacedly vermillion	Firm, fibrous enough texture
<b>Keitt</b> 	June to August	Big and oval	Green shamefacedly dark red	Soft
<b>Kent</b> 	January to March and May to August	Big and oval	Greenish rind shamefacedly dark red and yellow small points	Juicy and delicate
<b>Ataulfo</b> 	February to August	Small smooth oval	Yellow	Like butter

## FUN

As ethnic and gourmet food trends grow and consumers continue to seek out different products, a prominent mango program will add fun and excitement to any retail department. Health attributes are another positive aspect to promote. Mango is a rich source of vitamin A and C, both antioxidants,

and is also rich in natural fiber.

Mexican mangos are promoted via the National Mango Promotion Board program which has a wide variety of resources available for retail use. Check out [www.mango.org](http://www.mango.org) for more information.

For more information on trade with Mexico, if you would like to participate in a Trade Mission to Mexico, or for business contacts, please contact the Agricultural Office at the Embassy of Mexico:

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## INSIGHT FROM MEXICO

An interview with Jorge Armando Celis Moreno, president of the Mexican Mango Exporters Association (EMEX) in Mexico.

**PB:** Is demand for Mexican mangos increasing?

**EMEX:** Yes, definitely! Mangos from Mexico have become one of the principal fruits that consumers and their taste buds love.

**PB:** What kind of quality control and food safety exists among mangos packed for export?

**EMEX:** Exported mangos have very strict quality control, monitored by Mexican organizations with international recognition and incorporating specific mango characteristics like sugar content, texture and flavor. On the food safety side, currently growers and packers are trained with seminars and manuals where they can put into practice the Good Agricultural Practices program as well as other programs specific to the handling of the fruit.

**PB:** How crucial is this business to those who are involved in it?

**EMEX:** Mexican growers and packers are involved very directly and it is their primary activity. They receive great support from federal and state government. Mangos are a central product for Mexico.

**PB:** What is the most significant thing for buyers to be aware of?

**EMEX:** The variety, seasonality and degree of maturity of the fruit. Knowing the different characteristics of each variety, the seasonality of each of the source areas, and the differing flavor profiles and ripening time will all help to create a program allowing you to offer the best product to the consumer.

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# Greenhouse Produce: Challenges & Opportunities

*The popularity of greenhouse-grown produce continues to rise as it provides a variety of produce during the "off" season.*

BY CAROL BAREUTHER, RD

**Flashback ten to fifteen years ago and buying premium, greenhouse produce meant calling growers in Holland or Canada and paying top dollar.**

Today, expansion in the industry in terms of volume and close-to-home production has resulted in a near commodity state for some products. Still, the quality and consistency, year-round availability, better pricing on some items and niche appeal of others mean real sales opportunities for retailers.

Jose Manzano, produce director at the three-store Dorothy Lane Markets, based in Dayton, OH, says, "We tend to sell a lot more greenhouse produce now due to the availability. Tomatoes, peppers and cucumbers are the main items."

## VOLUME & VARIETIES

According to Craig Laker, director of sales for BC Hot House Foods Inc., based in Langley, BC, Cana-

da, "The greenhouse produce industry started as a niche market. More growers got into the industry because of the higher rates of return for the product and that resulted in heavy expansion over the past decade. There's been a tremendous push from North American growers, many of whom have adopted European technology and many who have opened facilities in the Southern U.S. and Mexico. Volume is up ten times from what it was."

As for the products themselves, Fried De Schouwer, managing director of Vero Beach, FL-based Greenhouse Produce Co. LLC, says, "The large volume items dominate. This means tomatoes on-the-vine (TOVs) and beefsteaks, although there's some experimentation with Romas, Grapes and Cocktail TOVs. In peppers, it's the red, yellow and orange, and in cucumbers, it's the long English cucumber, although some are growing mini-peppers and mini-cucumbers."

There also has been an upswing in companies producing hydroponic lettuces.

**Tomatoes** — Quality is a big draw with retailers when it comes to greenhouse- or hot house-grown tomatoes. Manzano remarks, "We don't carry field tomatoes anymore. Our best-selling and biggest volume tomato is the hot house TOV."

"Ten years ago, hot house tomatoes represented less than 5 percent of tomatoes sold at retail," reports Doug Kling, senior vice president of sales, marketing and fulfillment for Village Farms LP, headquartered in Eatontown, NJ. "Today, that number has jumped to nearly 50 percent."

According to ACNielsen data for the 52-weeks ending September 30, 2009, as provided by Village Farms, hot house tomatoes represented 46 percent of dollar sales and 33 percent of volume in the tomato category.

Much of the hot house tomato category is represented by TOVs. However, many growers have sought to differentiate themselves and to recapture



Photo courtesy of Mirabel Hydroserre Inc.

Hydroponic Boston lettuce is the core item grown by Mirabel Hydroserre.

a higher margin for their products by developing new tomato varieties. Chris Veillon, marketing manager for Mastronardi Produce Ltd., located in Kingsville, ON, Canada, says, "The future of the industry lies in providing interesting, flavorful, unique alternatives to consumers. We have the largest test facility in North America and test more than 200 tomato varieties a year." One of the company's newest releases is the Kumato, a brown-skinned tomato known for its sweet flavor.

Mark Cassius, vice president of sales for Eurofresh Farms, based in Wilcox, AZ, believes, "Flavor is something you can actively measure in terms of the Brix/acid ratio and flavonoids. Many growers look at seed development in terms of yield and disease resistance, but flavor is something we actively seek out in order to create a more premium tomato product."

Specific merchandising opportunities are another factor guiding varietal development, adds Cassius. "The convenience factor, along with the healthful snacking segment, is growing in the greenhouse category," he asserts. "I think we'll possibly see even smaller tomatoes in development, even though these would be more expensive to produce."

## Fuel Costs & The Greenhouse Industry

**F**uel to maintain a greenhouse facility in a precise and narrow temperature range for optimal growing conditions is one of the major input expenses for the industry.

Pierre Dolbec, vice president of sales for Hydroserre Mirabel Inc., in Mirabel, QC, Canada, admits, "It's not as bad as it was a year or so ago when oil prices skyrocketed. However, it's important to be resourceful and innovative."

Some growers are looking at alternative energy sources. Craig Laker, director of sales for BC Hot House Foods Inc., headquartered in Langley, BC, Canada, says, "This might take the form of natural gas.

Some have gone to wood chips. They've experimented with geothermal energy in Holland and started to look at it in California, too. There's also solar, but this requires a significant investment."

In the future, growers may build greenhouses not because it's where they live, but because it's the optimal climate, explains Fried De Schouwer, managing director of Greenhouse Produce Co. LLC., headquartered in Vero Beach, FL. "The key is to find a location that offers an ideal combination of temperature and daylight hours. I think this would completely change the competitive landscape."

**pb**

**Peppers** — At New Seasons Market, a 9-store chain based in Portland, OR, director of produce, Jeff Fairchild, explains, "We are selling more greenhouse products now because of the quality. Quality equals appearance. For example, greenhouse-grown bell peppers have nice, thick walls."

Greenhouse-grown peppers represent 27 percent of dollar sales and 18 percent of

volume sold in the pepper category, according to ACNielsen data for the 52 weeks ending September 30, 2009, as supplied by Village Farms. In addition, Kling points out, "Packaged greenhouse peppers have shown a growth in volume of more than 52 percent in the last year. This represents items such as the 2-pound bag and stoplight pack."

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Jeff Taylor, a sales associate with Prime Time International, headquartered in Coachella, CA, says, "We've definitely seen an increase in demand for greenhouse peppers, in bulk and packaged. Red are the most popular, but I believe that's a price issue. Yellow and orange peppers are more expensive to grow."

"Small or mini-peppers for snacking is something we'll likely see more of in the future," believes Jim DiMenna, president of J-D Marketing (Leamington) Inc., headquartered in Leamington, ON, Canada.

**Cucumbers** — Greenhouse-grown pep-

pers represent 31 percent of dollar sales and 26 percent of volume in the pepper category, according to ACNielsen data for the 52 weeks ending September 30, 2009, as supplied by Village Farms.

Village Farms' Kling says, "Greenhouse, baby or mini-peppers increased 8.9 percent in dollar sales and 9.6 percent in volume over the last year compared to a 2.5 percent increase in dollar sales and 2.3 percent increase in volume for hot house English cucumbers. True, the smaller cucumbers represent a smaller base, but the increase in volume and sales speaks to con-

**"We've seen a significant increase in production capacity over the last four to five years, especially south of the border. There is no longer just high-tech greenhouse facilities, but now mid-tech and low-tech, or what's called 'shade houses' or protected agriculture, too."**

— Chris Veillon  
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sumer interest in the product, especially as a snack item."

**Lettuce** — Hydroponic lettuce represents only 0.75 percent of dollar sales in the lettuce category, according to Perishables Group FreshFacts data for the 52-weeks ending September 26, 2009, as powered by AC Nielsen.

However 'softer' leaf lettuces are where the category is heading, contends Rick Antle, president and CEO at Salinas, CA-based Tanimura & Antle Inc. "We grow primarily Boston, but we will be introducing watercress and fully grown mature arugula this year." The company's Living Lettuce line is packaged in clamshell packaging with the root ball attached.

Hydroponically grown Boston lettuce is also the core item produced by Hydroserre Mirabel Inc., in Mirabel, QC, Canada. Pierre Dolbec, vice president of sales, remarks, "We expanded our greenhouse capacity two years ago and have added other lettuces such as green and red leaf. In the future, we will be speaking with retailers about other hydroponically grown lettuces they'd like to be able to offer their customers."

#### INDUSTRY DYNAMICS

There has been a shift over the years from retailers searching out specifically

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greenhouse-grown produce to simply seeking high quality product instead. Dorothy Lane Market's Manzano explains, "We, as buyers, look for high-quality produce that is flavorful, has good color and is ripe — not necessarily that it's grown in a greenhouse."

Alberto Maldonado, general manager of Nogales, AZ-based Apache Produce Imports LLC, the exclusive distributor of Melones Internacional S.A. de C.V., agrees, "Most retailers are looking for good produce and produce that is safe."

There's a significant commitment to growing greenhouse produce, hence its traditional premium. For example, a state-of-the-art, fully enclosed, computer-controlled facility can cost upwards of \$1 million per acre, says George Gilvesy, general manager of Ontario Greenhouse Vegetable Growers, a non-profit organization in Leamington, ON, Canada, which represents more than 230 greenhouse growers in Ontario. Other major costs include energy to maintain a steady temperature and more intensive labor.

"What this type of high-tech facility provides is consistency in flavor and shape, availability and unique varieties that can only be grown in this type of controlled environment," says Mastronardi's Veillon.

Facilities in states, such as Arizona, and

countries such as Mexico — where greenhouse production can flourish in the winter, when Canadian production is low or nonexistent — has also provided a 52-week supply. Greenhouse Produce's De Schouwer says, "We've seen a significant increase in production capacity over the last four to five years, especially south of the border. There is no longer just high-tech greenhouse facilities, but now mid-tech and low-tech, or what's called 'shade houses' or protected agriculture, too."

Growing under shade house conditions, instead of an open field, can enhance quality, quadruple production and enable growers to cultivate their crop over a longer window of time. For example, Jose Garcia, director of grower relations at Rene Produce LLC, based in Rio Rico, AZ, says, "Growing cucumbers in the open field yields about 30 percent of the crop as super-selects. With protected agriculture, we get 85 percent of the crop as super-select." He adds, "We started six years ago with one hectare of protected agriculture. Now, we are farming 400 hectares this way and 1,000 open-field. The trend is shifting from field production, but I don't feel we'll see it shift 100 percent."

This increase in production in the industry, "has caused problems," admits BC Hot

**"Ten years ago, hot house tomatoes represented less than 5 percent of tomatoes sold at retail. Today, that number has jumped to nearly 50 percent."**

— Doug Kling  
Village Farms LP

House's Laker. "It used to be that consumer demand outpaced supply. Now it's the other way around, and it's turned us into a commodity market. This is particularly true at certain times of the year."

The boarder, or buffer months, also known as the transition time from the bulk of greenhouse production in Canada versus Southern U.S. states and Mexico, "are the

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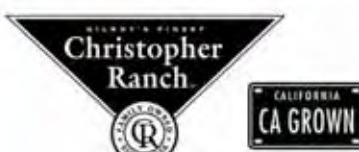
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aggressive promotional times in terms of pricing," says De Schouwer. "The end of summer, or September and October, is the worst. Retailers are not interested in shifting to Mexico at the time and there's still good quality field product around. There's an easier transition in the spring – March and April. It's the end of winter and retailers are excited to get into greenhouse product because the items are summery."

## MERCHANDISING & PROMOTION

"Merchandising and promoting green-

house produce effectively today is a missed opportunity," says Village Farms' Kling. "The economy has caused retailers to be so price-driven that they are missing out on the chance to offer customers a great value. Consumers are eating more at home these days instead of dining out, and premium greenhouse produce should be promoted to the at-home cooks for its high quality."

Hydroserre Mirabel's Dolbec points out, "Some retailers like to merchandise all greenhouse produce together in its own category so customers can readily identify it."

Others, such as Fairchild at New Season's

Market, "merchandise each product in its respective category."

Veillon recommends, "Create a destination area in the produce department for greenhouse tomatoes. Offer an extensive variety of specialty items to complement mainstream tomatoes."

Cross-merchandise greenhouse produce in high traffic areas, advises J-D's DiMenna. "For example, group and promote tomatoes, cucumbers and lettuce around a salad theme, or cocktail tomatoes, mini-cucumbers and peppers around the idea of snacking."

As for hydroponic lettuces, Tanimura & Antle's Antle recommends, "Display them ideally with the romaine hearts and artisan lettuces. This will create less sticker shock than merchandising them next to the iceberg lettuce. These are cross-over products, not value-added and not a commodity." In addition, he suggests displaying an open container to show the freshness, variety, texture and volume of the hydroponic lettuce.

Beyond quality and flavor, there are many other compelling reasons for consumers to choose greenhouse produce. The problem, according to Greenhouse Produce's De Schouwer, "is that the words 'hydroponic,' 'hot house' and 'greenhouse' are confusing to customers. Many have heard about greenhouse gases and think growing produce this way is bad for the environment."

In reality, retailers must educate customers on these points to increase sales, recommends Village Farms' Kling. "For example, explain that greenhouse production benefits the environment in a variety of ways. This includes water, soil and land conservation, as well as the use of integrated pest management practices. This also makes greenhouse grown product safer to consume."

Growers are helping in this consumer education effort, too. BC Hot House's Laker says, "We're using greener packaging, and on the label, we're including a story and picture of the grower. This happens more with specialty niche items that are packaged, rather than items sold predominantly in bulk. It's all part of our branding strategy."

Promotions are essential to maximizing sales of greenhouse produce. Fairchild reports, "We carry greenhouse produce from November to June when local product isn't available, and we promote it aggressively and frequently during this time. It's not necessarily cheap and a large discounter probably wouldn't be pleased with the price, but we think peppers on ad for \$2.99, as opposed to \$4.99, is an attractive feature. Customers respond. They buy."

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# The Pallet Puzzle: (Part II of II)

*Technological advancements and the continuing investigation on behalf of USDA's APHIS further complicate pallet decisions.*

BY JENNIFER LESLIE KRAMER

**Having already covered the fundamental pallet issues in Part I (see the December, 2009 issue of PRODUCE BUSINESS) it's time to move on to the nitty gritty.**

After all, the devil is in the details, as they say, and in the pallet industry, this axiom rings truer than ever.

## PLASTIC GOES HIGH TECH

While pallets have been the preferred shipping vessel for decades, they continue to keep pace with the technological advancements of the day. Companies are beginning to offer real-time tracking by embedding RFID (radio frequency identification) tags within the pallets themselves. One such company is Henderson, NV-based Airdex. The company's lightweight, plastic pallets have GPS technology embedded directly in the pallet, allowing clients to track exactly where their pallets have been and how close they are to their destinations. "People want to track cargo as it moves through its global journey," says Vance Seagle, CEO. "We have developed the world's first real-time tracking pallet, the Visi-pallet. We embedded a transponder in the pallet that will communicate with satellites and report where the pallet is at any given moment. It can detect the temperature, the shock absorbency, even what kind of cargo is onboard."

Orlando, FL-based iGPS also uses RFID technol-

ogy within all of its plastic pallets. In fact, each iGPS pallet has four identical RFID tags internally embedded during the manufacturing process, which allows clients to track the pallet's progress throughout the supply chain in real-time. "Our name demonstrates our difference, which makes it clear that we track and trace our pallets throughout their lifetime, from the moment they leave our manufacturer's facility," asserts Bob Moore, chairman and CEO.

Moore continues, providing an example of the efficiency level of his product. "I was at a distribution center in Denver a few weeks ago and I was watching them unload a truck of empty pallets. You could tell they had a lot of miles on them and I was curious as to where they all came from. I took a picture of the bar codes and ID tags from the pallet with my Blackberry and emailed it back to our headquarters. In just a few minutes, I knew exactly where the pallets came from. The customer was stunned," he adds. "The same thing can happen if there is a recall due to harmful bacteria. A manufacturer will know immediately which pallets have been affected because they will know exactly where they all have been."

The ability to embed RFID is one of the benefits of using plastic pallets. Because they are man-made and waterproof, the technological possibilities are endless. A wide variety of honing devices could be built into any one of the plastic pallets currently on the market. However, when it comes to wooden pallets, the game gets complicated, as suppliers claim that moisture tends to suck up RF energy. While there are a couple wooden pallet companies in Europe experimenting with embedding RFID tags in the corner blocks, this technology has yet to arrive in the United States.

In addition to including the latest RF technological advances in its pallets, Airdex has also created the Opti-Dex, an adaptable pallet designed to fit any size requirement. "We have joined forces with Opti-Ledge, which is Ikea's new system for creating a pallet to move various sized boxes," explains Seagle. "However, it came to the market with no deck, so we apply ours — the Opti-Dex. It is about the same cost as a wooden pallet, but has many more advantages. Because it is adjustable, customers can create



Airdex's pallets include RFID tags, making them completely traceable.

Photo courtesy of Airdex

any size pallet they need, such as a half-pallet or even a quarter-pallet."

Layer Saver is pushing the envelope of plastic pallets with its one-size-fits-all shipping vessel. The Willowbrook, IL-based company has come up with a two-layered shipping system that is built to hold more weight than a standard pallet. The latest addition to the company's wares is a proprietary, lightweight plastic pallet that can be inserted into the base of the Layer Saver. Charlie Kiolbasa, chairman, founder and CEO, explains the product, "What this will do is allow inexpensive, plastic pallets, made from recycled material to be nested into the base. All domestic pallets work, too — both wood and plastic — but our pallets are more user-friendly and the nestability factor provides greater protection."

Moreover, Kiolbasa believes his "Total Supply Chain Solution" has solved one of the major hiccups of the shipping industry. "When it comes to plastic pallets and produce in general, the No. 1 problem is getting the pallets back. Many plastic pallet manufacturers have attempted to mimic what the leader in the wooden pallet industry — CHEP — does, but they have been unsuccessful. This system takes advantage of something nearly every manufacturer or producer has, but doesn't realize it has — a closed shipping loop they use on a daily basis, sending product from Point A to Point B," he continues. "There's no harm in having a dedicated route to collect these pallets once they have been used. We'll even provide drop trailers if there is a large enough quantity. Essentially, this takes away all of

the competitive advantage that wooden pallet pooling companies have. Plus, you'll always get the same insert pallets back so you can be sure that no harmful materials have been shipped on your pallets."

### THE POWER OF APHIS

While the wooden and plastic pallet camps have always been competitive, recently, the situation gained more traction when the Animal Plant Health Inspection Service (APHIS) department of the USDA announced in August, 2009, it would be having open hearings "to discuss mitigation measures that could be applied to wood packaging material (e.g., crates, dunnage, wooden spools, **pallets**, packing blocks) used in domestic commerce to decrease the risk of the artificial spread of plant pests

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such as the Emerald Ash Borer and the Asian Longhorned beetle."

Volume 74, No. 157 of *The Federal Register* goes on to note, "These and other plant pests that could be transported interstate by wood packaging material pose a serious threat to U.S. agriculture and to natural, cultivated and urban forests." APHIS held a series of four meetings during August and September in public venues across the nation. Naturally, the entire pallet industry sprang into action. The plastic contingent viewed it as an opportunity for growth, while some of the wooden pallet companies saw it as a cause for alarm.

But what do these meetings mean? Insiders, such as Bruce Scholnick, president of the Alexandria, VA-based National Wooden Pallet Container Association,

(NWPCA) an organization that represents 700 pallet manufacturers, points out it was initially the NWPCA that approached APHIS in an attempt to pursue more streamlined and consistent national regulations for the wooden pallet industry. "More than three years ago, I gave a presentation in which I suggested we treat all pallets equally, whether they are being shipped domestically or internationally," he explains. "This way, we could eliminate wood packing material from any potential problems and do for the domestic shipping of pallets the same thing we did for international shipments."

Currently, international shipments on wooden pallets are subject to the International Standards for Phytosanitary Measure, or ISPM-15, regulations, which require all

wooden packaging materials to be either heat treated or fumigated with Methyl Bromide to prevent the spread of non-native invasive species, such as the Emerald Ash Borer and the Asian Longhorned beetle. To many, including Scholnick, it simply makes the most sense to have all wooden packaging materials — whether being shipped domestically or internationally — subject to the same rules and regulations. This would also be beneficial as all the pallets could be stored together, without having to worry that pallets that once carried chemicals were sitting next to pallets that were going to carry fresh produce.

Naturally, iGPS is in favor of stricter regulations for wooden packaging material. Moore admits, "It will increase the cost of wooden pallets, but public safety mandates

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it." He also points out that even though plastic pallets may seem more expensive than their wooden counterparts, when they are in a multi-use pallet pool, this is not always the case. The company has been sending a firestorm of press releases offering research that proves the unsanitary conditions of wooden pallets. In fact, iGPS has even commissioned some of these tests. One such experiment involved samples from wooden pallets found at markets and food retailers in the Washington, D.C. and Baltimore areas. A press release entitled, "Tests Find Wood Pallets Harbor Deadly Food Poisoning Bacteria," details the research results of an independent scientific laboratory: "In a limited sample, over one-third of the pallets tested positive for one or more of *Salmonella*, *E. coli*, *Listeria* and extremely high bacteria counts — such as 6.8 million spores per gram — indicating unsanitary conditions that also could pose a food safety risk."

**"The question becomes whether there has been some issue that has occurred that would indicate the situation regarding contamination needs to be addressed."**

— Tim Smith  
CHEP

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Even though these test results are certainly disconcerting, one cannot be sure what other elements these pallets had been exposed to when they were found that might have had a negative affect. Nonetheless, iGPS' Moore confirms in the press release, "These tests support our long-held concerns about wood pallets and the risk they present to America's food supply. Consumers need to know the food they buy may have been sitting on filthy wood pallets containing pathogens. The limited tests we've conducted underscore the need for the FDA to conduct a comprehensive investigation and adopt appropriate measures to mitigate the risk presented by wood pallets."

While iGPS has been using the recent



Photo courtesy of the NWPCA

**In an effort to curb the spread of non-native invasive plant pests, USDA APHIS is considering stricter regulations for the domestic shipping of wooden pallets.**

USDA APHIS hearings as a publicity springboard, the company's direct competitor, CHEP, has been relatively quiet. Instead of focusing on what may be in the future, the Orlando, FL-based company is concentrating all its effort on maintaining excellent customer relations and ensuring its client base is happy. "The question becomes whether there has been some issue that has happened that would indicate the situation regarding contamination needs to be addressed," asserts Tim Smith, vice president of business development.

"While there is certainly opinion, it has

yet to become a scientifically proven fact that domestic wooden pallets are harbingers of bacteria and airborne illnesses or are spreading non-native invasive species," Smith adds, "I think the important thing to look at, specifically, is the way in which our business operates. We have an inspection process. The product goes through one of our service centers and our team ensures the pallets meet all specifications, including those on cleanliness."

Despite the fact that CHEP is not overly concerned about the USDA's recent hearings, another large player in the wooden

pallet industry, IFCO, has directly addressed the situation in a press release. The Houston, TX-based company points out there is no evidence proving the domestic use of wooden pallets is responsible for the spread of plant pests that has APHIS concerned. As such, the company is concerned that "the implementation of the domestic ISPM-15 would increase the cost of all wood pallets shipped within the United States at a time when our supply chain can ill afford higher costs," as stated by Mike Hactman, senior vice president of business development in the aforementioned press release.

LeRoi Cochran, director of supply chain solutions at IFCO, echoes the company's official statement and explains, "One of the justifications of imposing new policies for the shipment of domestic wooden pallets is that it's an effort to eliminate the current mosaic of regulations. We believe the proper and most effective way to go about that is to educate people and remove the quarantine for the products that don't need to be regulated. Certainly, the inconsistency from state to state is a problem, but regulating everything is not the solution. Rather, it is to limit the regulations. It's unfortunate that the politics of the issue has begun to mask the science behind it."

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Reader Service # 8

# Value-Added Potatoes: Challenges & Opportunities

*While they might be a bit more costly, the value-added potato category represents a convenient and attractive buy for families who are cooking more at home.*

BY CAROL BAREUTHER, RD

## Potatoes are undoubtedly one of American's favorite vegetables.

Eighty-eight percent of consumers eat potatoes in at least one at-home dinner a week, and nearly half consume potatoes three or more times per week, according to a February 13, 2009-released Potato Attitude & Usage survey, by Synovate for the Denver, CO-based U.S. Potato Board (USPB).

At the same time, survey results show only 57 percent of consumers believe they could create fast and easy dinner meals around potatoes; only 54 percent think they could build a meal around potatoes in less than 30 minutes; and 48 percent stated potatoes took too long to cook in order to include them in most dinner meals.

Enter an opportunity for value-added potato products. Convenience often takes a back seat to budget concerns during an economic recession, says Kathleen Triou, USPB's vice president of domestic marketing. "But this doesn't mean consumer's desire for convenience disappears. At the same time, we're seeing more people eating at home and a degradation of cooking skills among younger generations."

Randy Bohaty, produce director for B&R Stores Inc., a 15-unit chain headquartered in Lincoln, NE, which operates under the Super Saver and Russ' Market banners, agrees, "There are consumers who are willing to pay for convenience because it represents a value for them. For the produce department, it means an extra ring from consumers who



Due to the current economic climate, there has been a return to large sized bags of potatoes.

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Insiders believe merchandising fresh-cut, value-added potato products in the produce department is a smart and prosperous move.

The advertisement features two bags of "Microwave in Bag!" potatoes against a red background. The left bag is labeled "Red Potatoes" and the right bag is labeled "Gold Potatoes". Both bags have a yellow circular "READY IN 8 MINUTES" label. Below the bags, the headline reads "The Perfect Dinner Accessory". A woman's silhouette stands on the left side of the advertisement, holding a bag of potatoes. Text at the bottom left says "Our bag goes with everything! Consumers are looking for a fresh, convenient side dish to accessorize any meal. Our Microwave in Bag™ potatoes deliver with the support of a total marketing program. Sales are in the bag!" The website "www.wadafarms.com" and phone number "1-888-Buy-Wada" are listed at the bottom. The Wada Farms logo is at the bottom right.

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weren't going to buy fresh, whole potatoes and peel them in the first place."

There is no industry definition for what constitutes a value-added potato product, notes Mac Johnson, president and CEO of Category Partners LLC, a joint venture marketing organization formed by Idaho Falls, ID-based Wada Farms Marketing Group LLC and Farm Fresh Direct LLC, headquartered in Monte Vista, CO. "But I would say it's a product with real or perceived value to a consumer expressed in terms of convenience," he adds.

Steve Ottum, chief operating officer for Potandon Produce LLC, in Idaho Falls, ID, adds, "I think of it as any product with attributes that differ from the basic commodity. Look at the history of value-added. First we had just russets, reds, whites and yellows. Over time, specialty potatoes developed. Now we're seeing products that are more convenient for consumers to prepare. This includes mini-potatoes in smaller packages for smaller households, microwave bakers and steamer bags."

#### FAST-FIXING POTATO PRODUCTS

There's been a dichotomy in the potato category, says Seth Pemsler, vice president of retail for the Idaho Potato Commission (IPC), in Eagle, ID. "New varieties and value-added were a growth area. Then we had the economic downturn. In the second half of 2009, the biggest growth in category sales were for the least expensive, non-value added item in the category: Bagged russets. In the long term, it is specialty varieties and value-added potatoes that will be the growth engine of the category."

Potato grower/shippers approach innovation of value-added products differently:

**Small Whole Potatoes** — Small-sized potatoes are quicker to cook than larger varieties, thus offering convenience for customers, says Dick Thomas, Potandon's vice president of sales. "Our proprietary mini-potato line is packaged in high-graphic bags that contain usage ideas and recipes. The 24-ounce bags provide enough to feed a family of four and the smaller bag size is attractive to retail at a lower price point."

The company has also increased production of the C-size potatoes, thus also lowering the cost of the product.

**Seasoning Packets** — There are a few niche potato products that offer added convenience, says Kendra Mills, marketing director for the Prince Edward Island Potato Board, based in Charlottetown, PEI, Canada, "such as those that contain spices or seasonings."

For example, WP Griffin Inc., located in

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Elmsdale, PEI, Canada, offers its Spice It Up — Herb Fixin's product in three varieties: Russet, Red and Yellow Flesh. Instructions on the package direct consumers how to prepare the finished dish, which is pictured on the bag, with the enclosed seasoning packet in the oven, grill or skillet. One package provides enough potatoes for a single-family meal. Garth Smallman, sales manager, remarks, "This product is targeted at the quick and healthy meal market."

**Refrigerated Fresh-Cut** — Beaverton, OR-based Reser's Fine Foods Inc. was among the first companies to introduce a

fresh-cut refrigerated potato product in the 1990s. "The Potato Express line includes seasoned and unseasoned cooked, ready-to-serve diced, sliced and shredded potatoes that are ready-to-eat in seven minutes," says John McCarthy, Jr., retail trade manager. The products sell for an average of \$2.49 each.

Mackay & Hughes, in Toronto, Ontario, Canada, introduced pre-peeled whole- and cut-potato products a few years ago, says president and CEO, Tom Hughes, "But, it was a product before its time and we closed the line. We're seeing a swing back to 10-

**"The microwave bakers are something we've carried and they weren't big sellers... yet when we took them out, customers asked for them."**

— Randy Bohaty  
B&R Stores Inc.



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and 15-pound bags of potatoes instead."

Timothy Hobbs, director of development and grower relations for the Maine Potato Board, headquartered in Presque Isle, ME, says, "We have one fresh-cut company in the state that makes diced and mashed product for foodservice, but not retail."

Sales of refrigerated fresh-cut potatoes at retail — a small slice of the potato category — have taken a hit this year. Volume dropped by 11.6 percent and dollar sales by 9.3 percent for the first 39-weeks of 2009 ending September 26, 2009, according to Perishables Group FreshFacts data.

**Microwave Bakers** — At Rice Epicurean Markets, a 5-store chain based in Houston, TX, Mark Luchak, director of produce and floral, says, "We carry the microwave bakers and they seem to hold their own. Sales are steady year-round."

B&R Store's Bohaty adds, "The microwave bakers are something we've carried and they weren't big sellers; nowhere near the sales of commodity potatoes. Yet, when we took them out, customers asked for them. Because of that, we now offer microwave russets and microwave yams."

Single, microwave-ready baking potatoes represent approximately \$600,000 in annual dollar sales, the largest of the value-added potato sub-categories. During the first 39-weeks of 2009, dollar sales were up 8.5 percent and volume down 6.5 percent, according to Perishables Group FreshFacts data.

Farm Fresh Direct introduced the first microwave baker in 2000, says Category Partner's Johnson. "It's a 6- to 8-ounce russet. It has found its niche as a side dish. It's done well; sales continue to grow and gain distribution. However, it took a real dip last year when the economy tanked. Consumers

# ADVENTURES OF THE IDAHO POTATO RETAILER

EPISODE 5:

SPELLBOUND



TO BE CONTINUED...



Reader Service # 49

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realized convenience does increase cost, but there was a limit to what they were willing to pay."

"It's currently a tough market," says Tom Campbell, co-owner of Tri-Campbell Farms LLC, based in Grafton, ND, "but a wrapped baker, especially our 8-ounce red-skinned shrink-wrapped microwavable baker potato, does have its niche."

WP Griffin offers 80-ct microwaveable and foil-wrapped russets in single serve and tray packs of three potatoes each. "The foil-wrapped bakers are popular for the grill,"

Smallman says.

**Steamer Bags & Trays** — According to Jim Ehrlich, executive director of the Colorado Potato Administrative Committee (CPAC), in Monte Vista, CO, "Microwavable steam technology is a good example of how advances in packaging technology are opening the door for innovative value-added potato products."

Bohaty reports, "We carry the steamer products and they sell, but they're a small segment of the category."

Potandon Produce began national distri-

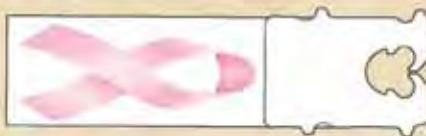


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Refrigerated Green Giant Fresh steam-in-the-bag potatoes come in four varieties of red and yellow creamer potatoes.

bution of its refrigerated Green Giant Fresh steam-in-the-bag potatoes last fall. The microwavable, 13-ounce bags contain proprietary varieties of C-size red and yellow creamer potatoes in four varieties: Mesquite and Bacon, Four Cheese, Three Chili and Roasted Garlic Butter. Each bag, which retails for \$2.98, yields three to four side dish servings and cooking time is only four-and-a-half minutes. Thomas explains, "We began test marketing and sampling the product to a targeted audience in January, 2009. It's too early to conclude who the end customer is, but we're seeing interest from those who are heavy potato users in general and those looking for value-added products."

Placement within the produce department was important to get the product noticed, Thomas adds. "In this economy, a greater marketing effort is required to encourage trial and get consumers to pay the extra money for value-added, but it has not stopped sales."

The Wada Farms Marketing Group reintroduced its non-refrigerated, microwavable, bagged red and yellow potato product last fall with a new name and new size. Category Partner's Johnson explains, "We introduced the product as Easy Steamers two years ago. It did okay, but it didn't set the world on fire. Consumer research told us consumers didn't realize the bag was what made the product value-added. Therefore, we changed the name and the graphics on the bag to read 'Microwave in Bag!' We also reduced the package size from 1½ pounds to 1 pound and changed the price point to \$1.99 or less, rather than \$2.50 to \$2.99." He adds, "Tests with the reformulated



are the most popular so far." The company began rolling out the product nationally last October.

These new microwavable/steamer bags of potatoes seem to be catching on with consumers. Dollar sales of this sub-category were up 29.5 percent and volume 22.7 percent for the first 39-weeks of 2009 ending September 26, 2009, according to Perishables Group FreshFacts data.

The USPB's Triou comments, "Steamer bags are new and they're on a growth trend as that 'something new' factor appeals to consumers. However, they are a small part of the overall potato category, behind microwave bakers and fresh-cut refrigerated."

On the horizon, the USPB has conducted innovative work on a number of new value-added potato products. According to Triou, two ideas that have carried the most traction with consumers are baby red potatoes with a rosemary herb sauce ready for the grill — an idea that has come to the market as Green Giant Fresh Patio Grillers — and russet potatoes with seasonings marketed in a steamer bowl for quick-preparation mashed potatoes.

## OVERTAKE PRICE & DISPLAY CHALLENGES

The two biggest hurdles in introducing and successfully selling a value-added potato product are price and the optimal display location. The USPB's Triou says, "The economy has driven potato sales over the last year. Consumers have shopped with their wallet and a decreased budget in mind. This means buying on ad and searching out the best price per pound, for example, a 5- and 10-pound bag of russets."

Russets represented 66 percent of volume, up 12.7 percent and 55 percent of dollar sales, up 2.6 percent, during the first 39-weeks of 2009, according to Perishables Group FreshFacts data.

A per-pound comparison makes it difficult for some consumers to justify the purchase of a value-added product, contends IPC's Pemsler. "Consider that an 8-ounce microwave baker retails for about 99-cents and a 5-pound bag of russets sells, on average, for \$1.99. Do the math. That's \$2 per pound for convenience versus 40-cents per pound for the commodity." Yet, Pemsler adds, "In the future, when the economy improves, I think we'll find consumers have a short memory and pent up demand."

CPAC's Ehrlich agrees: "Right now, there's some resistance to price, but value-added potatoes are still a good value when compared to other value-added products in the produce department."

To gain trial and sales of value-added potato products, WP's Smallwood says, "We've done a promotion where we put one foil-wrapped russet in a 5-pound poly bag and signed it, 'Get a free barbecue potato!' It familiarizes consumers with the product."

Tri-Campbell's Campbell says, "Chains do real well when they merchandise our Red Micro Baker for 69- to 79-cents a-piece or promote them 2-for-\$1."

Cross-promote fresh-cut potatoes with a bagged salad, which has more visibility, recommends Reser's McCarthy. "Create trial by offering a cents-off coupon on the potatoes at the same time."

For the new microwave/steamer potato products, Wilcox's Richter suggests, "Offer a buy-one-get-one introductory offer, or offer a bundle combo that adds even more value, such as a meal deal of an entrée or chicken with the potatoes."

As for display, Ehrlich admits, "Where to put the value-added potatoes has always been a problem, especially those products that require refrigeration."

McCarthy agrees and says, "Depending on the retailer, our product is found in up to four different locations in the store: Produce, meat, dairy and deli. It's all based on what the potatoes are used for. For example, the fresh-cut hashed browns are merchandised next to the eggs."

Sales success is best for refrigerated steamer bag potatoes, says Potandon's Thomas, "when displayed either next to the bagged salads or next to the cooking vegetables in produce or in the meat department next to roasts."

To gain a sizable shelf presence, Thomas adds, "Bring in the whole line, all four flavors, so consumers have choices and because only one SKU will get lost on the shelf."

For non-refrigerated value-added potatoes, Campbell points out, "Traditionally, the microwave bakers have been displayed in the potato section next to the bulk display as another option."

"Non-refrigerated, microwavable steamer bags are best displayed ribboned between bulk, baking russets and sweet potatoes, or as a color break between bagged product," advises Richter. "Remember, there are two different purchasers — two different intents — for value-added versus commodity products. Therefore, these products complement one another rather than compete."

"The real key," says Category Partner's Johnson, "is to make sure the consumer is aware of the product. Secondary displays are the way to do this. This means end-cap displays, small bins or shippers with adequate space and signage."

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Reader Service #76

Reader Service #75

# TORONTO TURNS IT ON

WITH A STEADY STREAM OF BUSINESS, TORONTO'S ONTARIO FOOD TERMINAL TAKES ADVANTAGE OF AN ETHNICALLY DIVERSE CONSUMER BASE AND PROVES IT'S HERE FOR THE LONG HAUL.

By Dee-Dee Black

**I**t's 8:00 am and Joe Scali, a partner in Royal Produce, has almost finished his rounds at the Ontario Food Terminal. Scali likes to walk the market every morning, to taste and touch the fruit and vegetables he buys for his clients. He strides along the horse-shoe-shaped market with confidence, stopping to chat with the wholesalers and their staff as he does business.

All around him electronic forklifts loaded up with boxes of strawberries, guava, spinach and lettuce race along the loading dock. Inside the stalls are boxes of every kind of fruit and vegetable imaginable. Outside, flowers and boxes of produce sit waiting to be loaded onto trucks from the city's independent green grocers, some chains and the city's restaurants.

There is a constant buzz — a kind of electricity that sweeps across the floor of the market. Scali, who grew up in Toronto's Little Italy and has a self-confessed passion for produce, loves the adrenalin rush of making a deal, finding the most perfect strawberry or head of lettuce. "On a busy morning this market can get really exciting and very frenetic, raising the blood pressure and the adrenaline," he says.

What can be critical in making or breaking a deal over produce is the personal relationship Scali has with wholesalers. "We try to get information before we actually buy the product," he explains. "If broccoli is going to be short on the weekend or if there is a particular kind of grapefruit that's good...then we go about hand-selecting produce."

## REACHING FAR AND WIDE

The Ontario Food Terminal, a provincial government facility located in Toronto, is Canada's largest wholesale fruit and vegetable distribution center and ranks in the Top Five by volume in North America. About five million pounds of fruit and vegetables go through the market daily. With 21 wholesale stalls possessing a total of 80,000 square feet of cold storage, as well as a farmer's market that boasts more than 500 stalls, the Ontario Food Terminal sits on a 40-acre site, west of the downtown core. Opened in 1954, the terminal has become a critical link in the country's food network and plays an important role in boosting the province's economy.

After all, as Anthony Pitoscia, a buyer from Fresh Advancements Inc. sees it: "I look at food as one of the most important things you can put in your body. It's your fuel. It's your gas."

The importance of the food terminal is palpable. Ask any whole-

saler and he'll tell you: The food terminal provides produce not only for the greater Toronto area and Southern Ontario, but also beyond — in some cases as far away as Newfoundland and Nova Scotia. "We're a necessary part of the whole equation," says Richard Rose, vice president of Gambles Ontario Produce Inc. The Ontario Food Terminal is useful for consumers because it's the only outlet for independent retailers to get product. "The independent is growing in strength here," Rose asserts. "You can feel it on the floor."

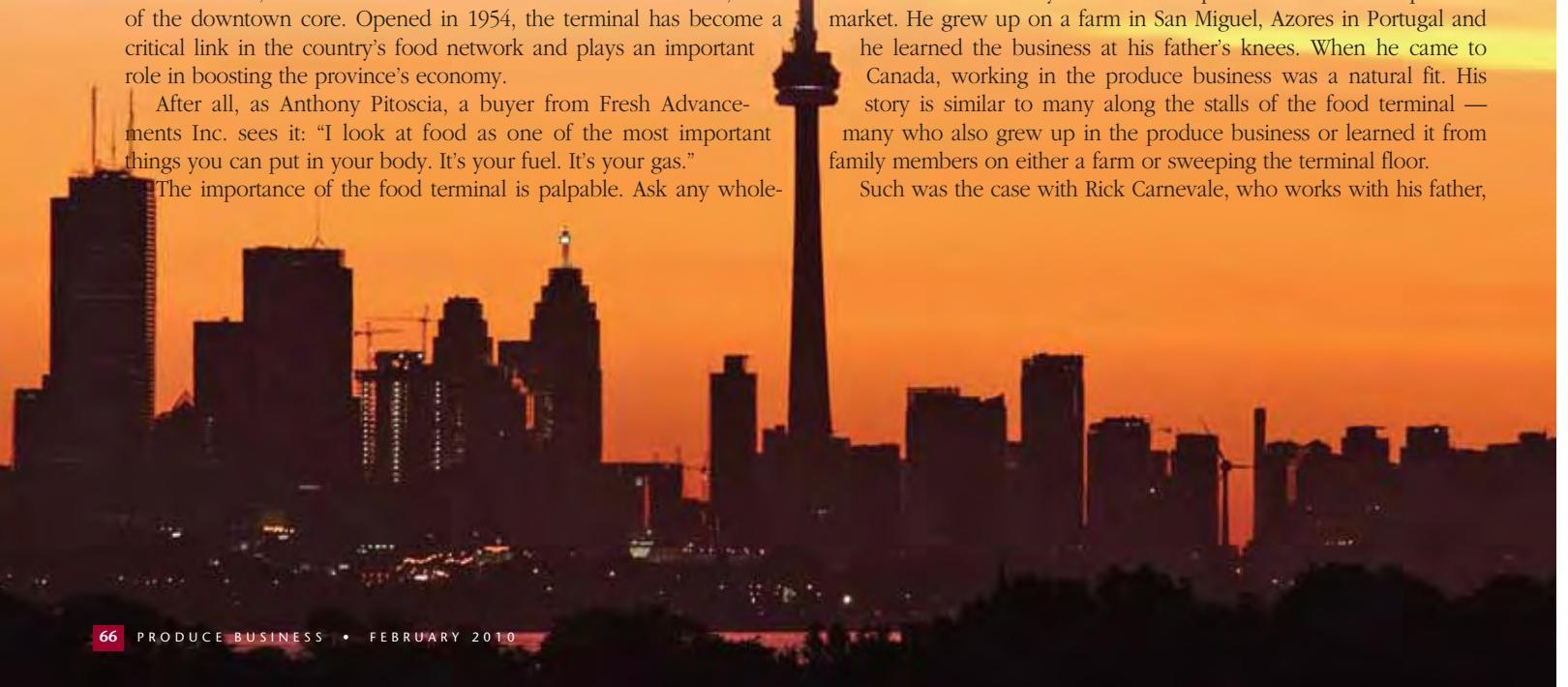
Millions of dollars and pounds of produce go through the food terminal every day, reports Peter Streef, one of the owners of Streef Produce Ltd., a company that not only sells produce, but also grows some of its own on a southern Ontario farm, in addition to managing the produce of some 20 other farmers. "It's a very important component in horticultural production in Ontario. It gives us an opportunity to access a market and display our products," he explains.

Adds Sal Sarraino, CEO of Fresh Taste, one of the larger North American importers who also has a wholesale unit on the terminal floor: "The food terminal is an important facility and I think more people should use it to see what it can offer. If I were in the retail business myself, I'd love to be able to walk around and see who really has the best quality and pricing on a daily basis. I think that's very important."

Coming to the market is like going to the mall, compares Joe Da Silva, vice president and director of market operations for Ippolito Fruit & Produce Ltd., which is not only a wholesaler, but also processes and packages produce. "You get to pick and choose," he says, and that's critical for any retailer, be it a Mom-and-Pop green grocer or a large retailer. "This market has been a buyer's market for the past 20 years," he adds, but in the end it's relationships that can make or break a company. "It's the most important thing in the produce business because you can only fool a guy once — three times tops, then he doesn't trust you."

Da Silva knows only too well the ups and downs of the produce market. He grew up on a farm in San Miguel, Azores in Portugal and he learned the business at his father's knees. When he came to Canada, working in the produce business was a natural fit. His story is similar to many along the stalls of the food terminal — many who also grew up in the produce business or learned it from family members on either a farm or sweeping the terminal floor.

Such was the case with Rick Carnevale, who works with his father,





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## TORONTO MARKET PROFILE



Joe Da Silva,  
Ippolito Produce Ltd.



Jim Gordon,  
Ippolito Produce Ltd.



Joey Carnevale, Thorncrest IGA and  
Rick Carnevale, Veg-Pak Produce Ltd.



Joe Scalzi,  
Royal Produce

sister and brother at Veg-Pak Produce Ltd. He has been working at the company in some capacity or another since he was 15. Now 34, he has spent half his life at the Ontario Food

Terminal. He started unloading trucks, sweeping the floor, doing deliveries and answering phones. As a young man, he had thought about going to law school when he graduated

from university, but by then, the produce business was in his blood. Now, he's vice president of the company. "I think in an entire day, we do more than the average person does in a week," he says.

### CHANGE THROUGH CULTURAL DIVERSITY

But times are changing on the floor of the market, fueled by the cultural diversity of the region. The massive immigration to Canada from Southeast Asia, China, the Caribbean and other parts of the world have meant a demand for new and different vegetables from those sold when the market first opened.

Thus, companies such as Ippolito have hired buyers who specialize in the East Indian market. Kudlip Sandher, who came to Canada from India when he was 14 and speaks both Hindi and Punjabi, is a fine example. As a sales associate, his mission is to attract more South Asian customers to his company by bringing in fresh products such as okra and cilantro. So far, he says, his attempts to tap into this market have been good. It's a growing market and all the wholesalers are clamoring to get a piece of it.

Adds Carnevale: "At this point in time, it is very Asian-influenced." As a result, Veg-Pak is stocking items Carnevale admits he didn't even know existed — Indian and Chinese eggplant, cooking papaya and *curilla*, a kind of bitter melon very popular in Caribbean dishes.

"It's a very diverse market," agrees Chris Street, who works alongside his uncles at Street Produce as a sales and logistics manager. "Toronto itself, being as diverse as it is, has a lot of opportunities for a lot of different items. Different markets cater to different commodities." He points to bi-color corn as an example. "We sell bi-color corn by the tray loads here," he reports. "In the States, they have a hard time selling it. They eat yellow corn there. Bring a load of yellow corn here and you won't sell it."

Adds Gambles' Rose, "Ethnic produce is not strange to Ontario. There is a more open-minded market here. We're more accepting of certain things because of our ethnic diversity."

For Teddy Kurtz, a buyer at Stronach & Sons Inc., what's key to the Ontario Food Terminal is knowing your customers. Kurtz, who started in the business in 1966 when his father-in-law brought him in, operates what he describes as "probably the smallest house on the market." But he proudly adds: "We're small, but effective." Kurtz agrees the clientele at the Ontario Food Terminal has changed substantially over the years, which is why it's criti-

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Reader Service # 21

# Veg-Pak Produce Ltd.



Ontario Food Terminal - Sales Division

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Contacts: Vic Carnevale, Rick Carnevale, Dan Carnevale,  
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## TORONTO MARKET PROFILE

cal to "cater to the needs of your clientele." The wholesaler specializes in vegetables and some pears, apples and cherries, deals with independent grocers from all over Ontario. "We're shipping today to the East coast of Canada, Newfoundland and Nova Scotia. In the summer, from June to October, 85 percent of our produce is Ontario-grown. The rest of the time, it's imported from California, Mexico, Texas, Florida and Georgia," he details.

### MARKET ADVANTAGES

Due to Ontario's shorter growing season

— compared to other parts of the world — hothouse and greenhouse products are a vital part of the produce business, as they extend the season. Greenhouse vegetables had been the specialty of Koornneef Produce Ltd., but now, for the first time, the company has a stall inside the wholesale terminal, adding a whole new dimension to the business. "The food market is very important to Ontario," asserts president Fred Koornneef, who sells to such retailers as Longos, a small, Toronto-based grocery chain. "It's a hub. Without the market, I don't think you'd see the quality of

goods in the store."

Being inside the terminal gives Koornneef the ability to import produce from all over the world, and he's taking advantage of that fact, buying Spanish peppers, Belgian tomatoes and pears from Washington. But he acknowledges it can be tough. Ontario is the most competitive market place in North America when it comes to produce, he remarks. "You can't get away with high prices in Toronto because there's so much competition."

What works for him is consistency. Koornneef has been in the business for 25 years — and buyers depend on the consistency of his produce. "It's a simple philosophy. You treat people how you would like to be treated. It's word of mouth on the market, buyers tell each other."

Indeed, being a grower as well gives Streef Produce an advantage both with other farmers and chain stores, notes Chris Streef. He maintains growers trust the company because the people there don't just understand farming; they are farmers. Chain stores like to deal with the company because it is a grower as well.

**"I think the market is important because you have Mom-and-Pop grocery stores that are not large enough to buy directly themselves. In a major city, you need a vibrant food produce market."**

*— Barry Green,  
Richard E. Ryan & Associates Ltd.*

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The variety of food available in Canada is the envy of the world, says Vic Carnevale, president of Veg-Pak Produce Ltd. Carnevale was born into the produce business in Italy and has spent his life among fruits and vegetables. Carnevale remains certain about the future of the produce industry as independent ethnic stores continue to open up across southern Ontario. He believes this trend will only continue to grow, fueling sales at the Ontario Food Terminal along the way. "The wholesale market will never, never disappear," he declares. "Sales are higher than they



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### The Ippolito Produce Team

Michael Lawther - Warehouse Manager

Kuldip Sandher - Sales Associate

Sang Chae (Francis) Na - Sales Associate

Michele (Mike) Monaco - Sales Associate

Antonio (Tony) Carvalho - Sales Associate

Erwin Revin - Sales Associate

Chang Woo (Chris) Kim - Sales Associate

Gabby Amaral - Office Manager

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## TORONTO MARKET PROFILE



Wayne MacKinnon,  
Gamble's Ontario Produce Ltd.



Kuldeep Sandher,  
Ippolito Produce Ltd.



Ted Kurtz and Danny Simone,  
Stronach & Sons Inc.



Lorie Goldfarb,  
Morris Brown & Sons



Dorjee Namgyel,  
Veg-Pak Produce Ltd.



Richard Rose,  
Gamble's Ontario Produce



Vic Carnevale,  
Veg-Pak Produce Ltd.



Steven and Barry Green,  
Richard E. Ryan & Associates Inc.



Peter Street,  
Street Produce Ltd.



Anthony Pitoscia,  
Fresh Advancements  
/Bamford Produce

have ever been."

For Barry Green, president of Richard E. Ryan and Associates Ltd., a food broker, it's critical to be at the market to see the produce as it comes in. "You can get the feel of the market. You can see what's good, new trends, new products," Green explains. In partnership with his brother, Steven, the pair sells produce to wholesalers. By being on the scene they can look their customers in the eye and make a deal. "We're a world market," says Green. "There's very little hindrance to trade here,"

and that's what makes the produce so bountiful and ample. "I think the market is important because you have Mom-and-Pop grocery stores that are not large enough to buy directly themselves. In a major city, you need a vibrant food produce market."

Adds Fresh Taste's buyer and sales manager, Christian Sarraino: "Every day is game day." Sarraino has followed his older brother, Julian, into his father's business at Fresh Taste. Both young men started in the business when they were young, sweeping floors and

unloading trucks. Christian went to the University of Western Ontario where he studied geography, but the lure of the food terminal kept beckoning. "I always knew I would come into the produce industry; it's what I wanted to do," says Christian, who works as a buyer and sales manager at Fresh Taste's Canadian wholesale division. "I'm fortunate to be able to learn from my father and my grandfather; I've found that they are very influential people in this industry."

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Marta Kozak, Julita Jaracz, Randy Steinberg and Ashley Carr,  
Torizon Logistics Inc.



Joey Longo, Longo's, and  
Fred Koornneef, Koornneef Produce Ltd.



Julian, Sal and Christian Sarraino,  
Fresh Taste Produce Ltd. Canada

career paths that many of Christian's college buddies pursued, but he wouldn't have it any other way. "I find it interesting when I tell people from other industries what I do. A lot of my friends from university have become bankers, accountants and lawyers," he explains. "I say I'm in produce and they get this puzzled look on their face."

Christian knows wholesale markets are

important. "It gives buyers the opportunity to exercise all of their options based on price and quality they can actually see," he says. As for the job itself, he loves it. "My brother and I are competitive people. As a result, we're constantly striving to find new ways to pass our savings along to our customers, and in turn, the end consumer."

Christian asserts his family's company is

known for its quality. "At Fresh Taste, we pride ourselves on longstanding relationships with our growing partners, shippers and customers," he adds. "This is an important philosophy — one that we are dedicated to continuing."

### LOGISTICS

Getting the produce to and from the Ontario Food Terminal can be a real challenge. The weekend before Thanksgiving, many of the wholesalers were having logistical problems, as many of the trucks coming from the United States were in short supply due to the holiday. However, some companies have come up with their own solution to the problem. For example, Gambles has solved the problem by setting up a sister company, Torizon Logistics Inc., with Randy Steinberg, who has experience in logistics and transportation. Steinberg brings in Gambles' produce from California, Florida and Texas.

"Transportation is the forgotten role," admits Steinberg, president of Torizon. "Typically, truck drivers have unbelievable demands on them. They have to get all the freight from multiple pick-ups and regardless of when they leave California, they have to be here on the fourth morning." The decision to move into transportation was a good one for Gambles. "It's another revenue stream for them," says Steinberg.

As for the future of the produce industry, Veg-Pak's Rick Carnevale worries that the push from chains to lower the price will have a negative effect on the quality of produce. "I have found in the last few years, the chain stores have been really pushing the price issues," he says. "There is a lot of competition in the chain stores to be the cheapest, and unfortunately, when that happens quality seems to suffer. I'd love the industry to go back to when quality was the No. 1 necessity."

But in the meantime, he and other wholesalers are doing their best to provide fresh and delicious produce for southern Ontario and the greater Toronto area. From Royal Produce's Scali point of view, they seem to be keeping up their end of the bargain. "Every house does a phenomenal job," he says. **pb**

## THE NEXT GENERATION TAKES THE LEAD

**T**wo of the Ontario Food Terminal's youngest wholesalers have been elected to the Ontario Produce Marketing Association's (OPMA) Board of Directors.

Julian Sarraino, 24, buyer and sales manager with Fresh Taste Produce Ltd. Canada and Chris Streef, 27, sales and logistics manager with Streef Produce Ltd., are both newly elected to the board. The Ontario Produce Marketing Association is a non-profit organization designed to promote the consumption of fresh fruit and vegetables within the province.

Both are very excited about the challenge of sitting on the board and hope to make a real difference. "The biggest thing for me in joining the OPMA board is that I get to learn from my peers," says Sarraino. Sarraino believes he can learn by watching the rest of the board members and their decision-making skills, their reasoning and their rationale, which is all for the benefit of the entire industry.

One of the tasks facing the OPMA is the introduction of a new campaign later this year to promote eating fresh fruit and vegetables daily. Both Streef and Sarraino are solidly behind the campaign. Eating fresh fruits and vegetables is not only good for consumers' health, they point out, but also the bottom line for the produce industry. "Promoting the consumption of fresh fruits and vegetables is certainly an important role



Julian Sarraino  
Fresh Taste Produce Ltd.



Chris Streef  
Streef Produce Ltd.

in today's society, and I am committed to contributing to these campaigns," Sarraino remarks.

Currently, the OPMA promotes the consumption of all vegetables and fruit from around the world. But Streef would like to see that evolve, focusing a bit more on locally grown produce. By promoting local produce, Streef believes it not only helps the local growers and the local economy, but also consumers.

Sarraino would also like to sit on the Canadian Produce Marketing Association board so he can expand his knowledge about the industry. "I'm honored to be a part of the OPMA Board of Directors," which acts as a representative for the Ontario Produce Industry. "We work to encourage cooperation between all sectors of the industry, from the growers to the consumers, while striving to develop and apply programs and policies for the benefit of the horticultural sector in Ontario."

Sarraino and his brother, Christian, are now both working with their father and grandfather at Fresh Taste. Like Christian, he started working in the business when he was young, sweeping floors and unloading trucks. After graduating from university, he, too decided to join the family business last year. "I learned from the ground up," he says. Just like his father and grandfather before him, he has a passion for produce. **pb**

# MAKE WAY FOR McEWAN

RELYING HEAVILY ON HIS BACKGROUND AS A CHEF, MARK McEWAN BRINGS A EUROPEAN-STYLE GREEN GROCER TO TORONTO.

By Dee-Dee Black

**F**or chef, and now grocer, Mark McEwan, success is in the details. As he stands looking around his gourmet store, he is every inch the proud green grocer, much like his mother's parents who operated the only store in small town Ontario.

"I've always loved food retail," says McEwan, who is also known for his hot restaurants North 44, One and Bymark. "I love markets. I love European grocery stores. My complaint about North American grocery stores is there is not enough fresh product. Why can't we have a 20,000-square-foot store that had everything from soups to nuts, but leaning more to the fresh side."

And so McEwan — the gourmet grocery store — was born, opening its doors in June, 2009, in a recently redesigned mall in Toronto's north end. Some criticized his decision to set up shop far away from the downtown core, but McEwan believes he knows his market. What's more, the grocery store serves as a supplier for all of his restaurants. An added financial bonus, he chuckles.

It is clear from walking around the store that great care has been taken to create a shopping experience that is equivalent to that of dining at a fine restaurant. Staff is on hand to answer questions and to talk to customers about produce. The aisles are wide with plenty of room for customers to stop, look and sample wares that are finely cut and out on display.

"I've always been comfortable with food and always have enjoyed it," asserts McEwan. "What I bring to the retail food industry is the chef's side of it. I bring the ability to have cooks in the kitchen and prepare and manage food correctly on a daily basis. This has been one of the key factors that have been missing from traditional groceries. They try to do prepared foods, but they don't know how to manage the costs or production."

Out on the floor there is no detail too small for McEwan. Each piece of fruit is laid out carefully; each vegetable looks like it belongs in a gourmet magazine. The quality of produce is important to McEwan. "We rotate our product every day," he reports. "We only cut the precise amount of watermelon we think we're going to use for the next four hours. Then, when we run out of that, we cut more."

To make sure the produce department is extraordinary McEwan relies heavily on his

produce manager, Fabio Cannone, who grew up in Toronto's Little Italy above a green grocer. "I have a passion for the business," he admits sheepishly, something he got when he was a young boy. As he tours the produce department, he looks to make sure everything is in top shape.

"I try to bring something different each week. Last week I had the Buddha's Hand here," says Cannone. "It looks like 20 fingers spread out. And it's lemon in color. When you break the 'fingers' off, it smells like lemon."

Great care is taken to bring only the very best produce to the store from Ontario's Food Terminal. The company uses the Toronto-based Royal Produce to pick its fruit and vegetables. Every morning, Joe Scali, one of the co-owners in the firm, walks the market looking for the best produce for the store, as well as his restaurants. "What's great about Mark and Fabio is that they've given us the freedom



Needless to say, McEwan notes his gourmet grocery store has become a destination shopping spot in the Don Mills Centre, rivaling some of Toronto's more established specialty grocery stores. He has plans to open up an old-style Italian restaurant called Fabrica in the same shopping center and he also is drawing up plans to open a second McEwan grocery store in downtown Toronto.

"I'm pretty intuitive when it comes to people and what they need when they are cooking at home," he admits. "I've been in the business a long time. I always imagine it through the eyes of my customers — the people who walk the store. We are drawing all our products from top echelon producers. I just don't want to fill the store; I want to fill the store really competently." That's what makes the store different, McEwan believes, from other gourmet food emporiums across the Toronto region.

As for the latest food trend to eat and buy local, McEwan is philosophical about it, trying to incorporate what he can into both his store and restaurant. "I'm totally there for the local farmer," he says. But he's not fanatical about it. For him, quality is the biggest issue and if need be, he'll shop the world to find it. "I believe in having variety for my consumers whether they are here in the store, or the restaurant."



**Produce manager, Fabio Cannone (left), with Mark McEwan.**

to walk the market," praises Scali. "They say, 'We need romaine, strawberries and lettuce, but what they're telling us is if the romaine looks good, buy the romaine; if the lettuce looks good, buy the lettuce and if they don't, don't buy them.'

McEwan's grocery store is all about offering customers a unique grocery experience. Service is supreme in his mind, and he has brought in employees that know their business. He also has a 16-member kitchen team charged with all of the store's prepared foods, dishing up treats such as truffled mac and cheese. Much of the staff from his restaurants is now working the grocery store, serving the customers just the way they would serve diners, he explains.

## McEwan

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# Merchandising Asparagus Year-Round

*Many consumers are still learning asparagus is a "seasonless" item.*

BY JACQUELINE ROSS LIEBERMAN

**A**lthough most American asparagus is harvested during the traditional spring season, the notion of buying asparagus at any time of the year should not be new to consumers. "Because of Peru, asparagus has been available year-round for 10 years," says Steve DeGuire, sales manager for Holt, CA-based Victoria Island Farms, growers, packers and shippers of asparagus and blueberries.

Still, asparagus may not always be on shopping lists, which is why retailers must remind consumers that the vegetable is good, fresh and affordable year-round. De Moulas Super Markets Inc., based in Tewksbury, MA, does just that. "We try to promote asparagus as much as possible, as it is now a year-round item and every country of origin has periods of good volume to promote," explains Gary Arsenault, buyer.

The constant availability of asparagus gives retailers ample opportunities to keep sales steady. "The year-round availability of asparagus supports category management programs designed to build the category not only during spring and peak holiday periods, but throughout the year," says Priscilla Lleras, coordinator for the Peruvian Asparagus Importer's Association (PAIA).

As a result, "Retailers and consumers benefit from asparagus availability," notes John-Campbell Barmmer, PAIA East coast co-chairman and director of marketing for Miami, FL-based Chestnut Hill Farms, growers, packers, importers and distributors of produce from Latin America. "U.S. domestic product usually peaks in the spring and early summer months. Product from Peru is available starting in June, peaking in October through December and imported in lower volumes by January and February.

This type of reliability provides retailers with a meal solution for their customers."

According to Chris Martin, PAIA West coast co-chairman and president of Gourmet Trading Co., based in Los Angeles, CA, "Retailers are looking at methods and commodities that will provide consistent availability of products containing dependable quality, health benefits and value for their consumers, and asparagus is that commodity. The Peruvian season complements the supply of domestically grown fresh asparagus, allowing for stores to offer customers a year-round product."

But to get consumers to think about asparagus year-round, "Retailers need to promote it throughout the year," admits Cruz Carrera, retail sales manager for Oxnard, CA-based Mission Produce Inc.

That a vegetable is available when it was traditionally absent is an easy concept for Americans to grasp. "The notion of seasonality has been lost for the most part, so retailers simply having a fresh, appealing display encourages purchases," argues Julia Inestroza, marketing and merchandising manager for Gourmet Trading Co.

## THE BEST DISPLAYS

Strategically displaying asparagus to ensure consumers see it will increase sales, according to Martin. "Fresh asparagus is available in white, purple and green, in tips and as whole spears. Merchandising white and purple asparagus next to green offers the consumer more choices as well as providing a contrasting and attractive display."

In addition, "We recommend retailers offer consumers at least two different sizes of asparagus," says Cherie Watte Angulo, executive director of the El Centro-based California Asparagus Commission (CAC).



**Because asparagus is available year-round, aggressive pricing is key to sales.**

"Consumers often have a personal preference regarding the size of asparagus they use in a particular recipe, etc., so offering multiple sizes gives them options. For example, the consumer may wish to use thin sizes for salads, large for side dishes and jumbos for grilling."

Displays themselves often benefit from placement near other high-end, similarly priced vegetables, suggests Inestroza.

"Larger, free-standing gondola displays always draw attention and increase sales anytime of year," adds Victoria Island Farms' DeGuire.

"Large display tables of different product forms — whole spear bunches, microwave tray-packed trimmed spears, packaged and bunched asparagus tips and white asparagus — will increase sales and add profits to the produce department," suggests Lleras of the PAIA.

Bruce Dowhan, general manager of Escondido, CA-based Giumarra Agricom International LLC, distributors of produce from around the world, notes, "Packaged asparagus should be displayed with other packaged produce."

Care and handling of asparagus is as important as the displays themselves, as asparagus is more perishable and delicate than some other produce items. "Asparagus bundles are best displayed standing upright in ½-inch of fresh water or on a moist pad to keep it fresh and well hydrated," says Dowhan.

"Some retailers merchandise upright asparagus in trays with frequently replenished ice to keep them fresh," adds Angulo.

It's important to keep asparagus hydrated by standing it in water. "That way, it keeps its snap, maintaining its freshness and shelf life," says Mission's Carrera.

However, warns Inestroza, "Tempting as it may be, retailers should not place the spears under a mister."

Temperature is important, too. "In order to maintain its freshness and not compromise the integrity of the asparagus, storing at 35 to 37 degrees Fahrenheit prior to displaying is ideal," recommends Carrera.

Dowhan adds, "Asparagus has a high respiration rate, so it needs steady temperatures and high humidity."

When possible, displaying asparagus in a refrigerated case is preferable. "By keeping the product refrigerated, we are able to prolong the shelf life and keep it as fresh as possible," says Arsenault of De Moulas. "We also instruct our managers not to overcrowd the product and replenish the displays throughout the day, keeping the product

moving through the system."

In display areas that do not include refrigeration and higher humidity, "Proper rotation is vital once displayed," says Carrera.

Use caution when it comes to displaying asparagus near other produce. "Asparagus is ethylene- and odor-sensitive. It will absorb odors produced by garlic, onions or any strong-flavored item," warns Dowhan.

### CROSS MERCHANDISING OPPORTUNITIES

Cross merchandising can add more ring to asparagus sales. "Cross merchandising is a great opportunity for asparagus and its partners," asserts Angulo of the CAC. "Salad dressings, mayonnaise, packaged Hollandaise sauces, lemons, condiments, eggs, olive oil etc., all work well. Also consider dairy products such as butter, cheese and sour cream. Each of these items pair nicely with asparagus and many recipes including asparagus involve these basic ingredients."

At De Moulas, "We like to cross merchandise fresh lemons, lemon juice or Hollandaise sauce with asparagus," says Arsenault. "Most of our stores have refrigerated cases in prime locations within our produce departments where we can promote different items and we try to use these as much as possible for asparagus."

During warmer months, DeGuire of Victoria Island Farms recommends displaying asparagus with barbecue and grilling equipment, as well.

"Fresh asparagus has numerous cross-merchandising opportunities such as with salad, oils and dressings, with deli products like ham, cheese and wines, and during the summer, barbecue meats and fish," adds Barmmer of the PAIA and Chestnut Hill Farms.

Cross merchandising can take place in other areas of the store, as well. "Experiment by adding secondary displays outside the produce department," suggests Dowhan of Giumarra Agricom. "For example, aspara-

**"We recommend retailers offer consumers at least two different sizes of asparagus. Consumers often have a personal preference regarding the size of asparagus they use in a particular recipe, etc., so offering multiple sizes gives them options."**

— Cherie Watte Angulo  
California Asparagus  
Commission

gus can be placed in the meat department with steaks for grilling."

"Offering asparagus in bagged, value-added forms encourages cross-merchandising with packaged salads," says Martin of the PAIA and Gourmet Trading Company. "Fresh and packaged asparagus can also be cross merchandised in the meat department, for example with steaks, to provide the perfect, complete meal for customers."

"Asparagus can be served raw as part of a fresh vegetable platter," notes Dowhan. "Display it with other items such as tomatoes, broccoli and healthy dipping sauces, such as low-fat Ranch dressing. Asparagus can also be cooked with olive oil or butter, and it can be grilled with cheese, such as Parmesan."

### SIGNAGE SELLS MORE

The right signage can encourage sales. "Effective signage is extremely important and should stress suggestive usage ideas as well as the many nutritional benefits of fresh asparagus," says Barmmer. "Signage should recommend serving ideas depending upon the time of the year, such as 'great for baking,' 'easy-to-barbecue' and



"microwaveable."

Holidays throughout the year are perfect times for promotion, Dowhan points out, including Thanksgiving, Christmas, Easter, Passover, Cinco de Mayo, Mother's Day and Memorial Day. "Use signage to educate consumers about recipe ideas. Asparagus can be used year-round and especially in hot recipes during fall and winter," he says.

Mission's Carrera recommends "signage on the health benefits or nutritional benefits, a recipe and even the country of origin. Some supermarkets like to promote local asparagus," he says.

"Asparagus is a good source of potassium, vitamin A and vitamin C," notes Lleras of the PAIA. "Asparagus is low in fat and contains no cholesterol. Asparagus is also rich in rutin and folacin, which has been proven important in the duplication of cells for growth and repair of the body."

Another key to good sales is fair pricing. "Year-round availability of asparagus has minimized huge fluctuations in price," says the CAC's Angulo. "Asparagus is in the market 12 months out of the year and the consumer is now accustomed to seeing asparagus at a moderate price point. We find asparagus is a fairly price-elastic food item, so if it is priced too high, consumers may

**"Large display tables of different product forms — whole spear bunches, microwave tray-packed trimmed spears, packaged and bunched asparagus tips and white asparagus — will increase sales and add profits to the produce department."**

**— Priscilla Lleras  
Peruvian Asparagus Importer's Association**

opt for another vegetable. So moderate pricing may result in a faster turn-around of inventory and higher season-end profit." Many suppliers agree that when price-per-pound rises over \$2.99, consumers are less likely to buy.

"Moderate pricing will also help maintain a fair and reasonable price to the producer," adds Angulo. "Asparagus acreage in California has declined steadily over the last decade because of increased cost of production that was not being matched by the price growers received for their product. To maintain a healthy asparagus industry in the United States, retailers must be willing to offer shoppers and growers reasonable prices for the product."

De Moulas has seen success with competitive pricing. "We always price our asparagus as aggressively as possible, both on promotion and at regular retail," emphasizes Arsenault. "By working close on our margins, we can move more product with an aggressive retail. That, in addition to top quality product and good displays, is the key to selling more asparagus. It is our philosophy we use throughout the produce department — actually, throughout the entire store — and we believe it is one of the keys to our success." **pb**

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The screenshot shows the homepage of PerishableNews.com. At the top, there is a navigation bar with links for "Produce", "Bakery", "Dairy", "Deli", "Floral", "Meat & Poultry", "Produce", "Seafood", and "Retail & Foodservice". Below the navigation bar, there is a main article titled "Tatsumi & Asahi Artisan Lettuce Featured On TV Show" with a small image of a field. To the right of the main article, there are several smaller news snippets and links to other articles. At the bottom of the page, there are several promotional banners for various food companies like Duda, Giumarra, and Del Monte.

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**S**ilver Creek Software (SCS) focuses on delivering a state-of-the-art, high-quality ERP accounting and management system to fresh produce distributors, growers, packers, shippers and brokers. Established in 1982 by John Carpenter, president, and Tina Reminger, vice president, the company flourished as a family-owned business throughout the '80s and '90s, eventually receiving IBM's top VAR award of 1988 and Inacom's President's Award of Excellence. The company's increasing orientation toward software development led it to deliver Visual Produce in 1993 to its first produce distribution customer.

"Since then, we have installed Visual Produce in over 85 companies, both in the United States and abroad," says Reminger. "Many of our customers have experienced explosive growth in their respective markets, and Silver Creek Software has met or exceeded the related challenges of accommodating those changing business needs."

SCS' Visual Produce accounting software has several key operational and financial capabilities. Carpenter explains, "Standard Visual Produce modules include sales orders, purchase orders, inventory processing, accounts receivable, accounts payable and general ledger. Optional modules include payroll, packing plant manager, grower settlements, brokerage management, fresh-pack processing, repack management, warehouse management, crop accounting and EDI — Electronic Data Interchange."

Additionally, there are software enhancements such as customer menus, route analysis and management, contract pricing, soft breaker units, commodity boards, business status reports and lot tracking, which allow users to maximize their productivity while using Visual Produce. "When you buy Visual Produce, you get a full copy of Sage Pro Enterprise," reports Carpenter. "This is a robust and feature-rich accounting and ERP system with over 25,000 installs worldwide. The feature set is comparable to programs such as MS Great Plains, MAS 200, Navision, ACCPAC Advantage and other business accounting systems."

Visual Produce can be integrated with Sage CRM, a powerful customer relations management system. "Sage CRM is an easy-to-use, fast-to-deploy, feature-rich CRM solution providing enterprise-wide access to vital customer information — anytime, anywhere. With Sage ACCPAC CRM, you can better manage your business by integrating field sales, internal sales, customer care and marketing information," Carpenter further explains.

The software allows customized sales and operations tracking boards to be designed to address specific business challenges, such as tracking order status, load status, item status and alerts on problems. "Through the use of ProAlert, Visual Produce can be set up to automatically notify managers or users when pre-defined alert criteria are met," states Reminger. "As an example, an e-mail alert can be sent to a manager whenever an order margin amount falls below a specific value. Or a report can automatically be generated and routed to an individual at the same time every day. This tool is limited only by your imagination."

Visual Produce provides easy access to data from many different tools including Report Writer, DataHabitat, Excel, F9 (an Excel-based financial report tool), Visual Internet, ZetaFax, Roadnet and many others. "Our software's unique features and benefits ensure our customers are never told the program doesn't work the way they need it to, they have to change their business practices or they have to wait until the next version of the software becomes available before a problem is fixed," Carpenter adds.

Visual Produce's Internet connectivity allows order entry via the Web, and it gives customers access to reporting and data publishing capabilities. "Some of our current customers have more than 40 percent of their orders being entered through Visual Internet," according to Reminger.

SCS advises thinking on a long-term, large scale when looking at software needs. "When choosing software think long term," suggests Reminger. "Remember your business needs will change and your software needs will change as well. Also, ask to speak with customers and ask them about service and product. When you buy software, you enter into a close-knit relationship with your software provider."

Reminger cautions companies to realize the IT industry is much bigger than just their ERP software provider. "How does the program you are evaluating fit into the big picture?" she asks. "Is it proprietary or open? What operating systems does it run on? Are the programs and data accessible to other entities in the market?"

Produce companies currently using Visual Produce for wholesale distribution and processing include Coastal Sunbelt Produce, Pacific Coast Fruit, Baldor Specialty Foods and Loffredo Fresh Produce. Companies using the software for distribution, packing and grower settlements include Country Fresh Mushrooms, Sweet Clover Produce, Global Agri and MCL Distributing.

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S O F T W A R E

# Merchandising Packaged Nuts

*With numerous health benefits, nuts belong in the produce department, on their own, eye-catching display.*

BY THERESA BRAINE

**F**rom end-cap displays to shelf space, whether they are chocolate-covered, flavored or salted inside the shell, packaged nuts are breaking out of the baking aisle and making their way to the produce section as more and more information emerges about their health benefits.

"Until a few years ago, nuts were carried at the bottom of the baking aisle. It was almost an afterthought," says Andrew Stillman, owner and president of Amport Foods, based in Minneapolis, MN. "Today, we're putting them in our salads to make them more healthful. You can't pick up a magazine without reading some story about how nuts are helping you."

To this end, nuts are migrating toward the produce aisle in packages that look as though they were packed in the back room. They are placed in complementary color or taste configurations or cross-merchandised with other products likely to be consumed at the same time. New varieties of nut products and new ways to use them are being promoted beyond seasonal efforts.

"We find that consumers are looking for a snack that is both delicious and good for you," says Kourtney Schepman, spokesperson for Los Angeles, CA-based Paramount Farms. "Snackers today are more health-conscious than ever and are looking for healthful alternatives to high-calorie snacks."

Nuts are flying off the shelves — or out of the end-cap displays, as it may be. "We sell nuts year-round on an equal basis with a small spike in a couple of traditional nuts — pecans and walnuts — during the holidays," Stillman says. "Otherwise, we have seen the sales of those nuts just as strong in July as they are in November."

## DISPLAY PROMINENTLY

End-cap displays are a great choice for merchandising packaged nuts thanks to their mobility and ease of installation. That



**Nuts are migrating toward the produce aisle in packages that look as though they were packaged in the back room.**

is the first choice of Commack, NY-based Setton International Foods Inc., according to chief operating officer Mia Cohen. The company ships its product in produce tubs that stack out in trees on a mini-pallet small enough to place at the end of the aisle. The product literally comes straight out of the hand jacket and into the produce aisle. It's sold like that and then thrown away. "So as they get sold, you just remove the trays," Cohen says. "It's very easy."

End-cap displays don't take up permanent floor space and are thus ideal for promotional or seasonal sales. "You're not investing in tables. It's not a fixture," Cohen says. "Dried fruits and nuts work very well in produce because they're an agricultural item and are healthful like all fresh produce. They do much better in produce than grocery. But it's hard to get table space in produce and there aren't shelves there either, so these end-cap displays work really well."

Paramount Farms, maker of the Wonderful brand of pistachios, uses a quarter-pallet and half-pallet display bin, with the top part of the bin containing bags of product. Marc Seguin, director of marketing, explains the system is built around a wooden frame, with back-stock cases underneath. You put it on

the floor and when the top is empty, slide out the bins from beneath and restock.

Leigh Vaughn, director of produce and floral at Associated Food Stores Inc., headquartered in Salt Lake City, UT, says the company employs a few strategies, including a cello-pack nut that they put near the peanut section. "The peanuts are a destination stop pretty much year-round," says Vaughn. "They are seasonally important."

Associated Food also buys a local snack and nut line from Nuts For You, a small company in Preston, ID. The company supplies modular racking to the stores that have a six-month buying commitment, which they can customize to their particular end-caps — a strategy Vaughn deems "pretty successful."

Amport's Stillman says a stand-alone, year-round, four-to-six-foot section is the key for both dried fruits and nuts and stops them from interfering with the presentation of the produce section.

Gerland's Food Fair Inc., located in Houston, TX, places nuts smack in the middle of the produce department, "usually between the citrus and the potatoes," says Rick North, senior vice president of fresh products. "We usually try and do colorful signs on them to show seasonality."

Diamond Foods Inc., based in Stockton, CA, has an Emerald Harmony line, which is "merchandised in a wooden display rack with a small footprint that fits easily into the space-challenged produce section," says Melissa Waters, associate marketing manager. "The use of wood for the Emerald Harmony rack emphasizes the natural products in the Harmony line. The wooden rack can also serve as a permanent fixture in a retailer's produce aisle, and enhance the aesthetic of the shopping area."

## MAKE IT LOOK HOME-GROWN

Retailers and shippers agree it's important to make it look as if the nuts were packaged in the store. Amport's printed bag "is either all clear or it is clear on one side with just a blank back or printed back," describes Amport's Stillman. "On the back of the bag, of course, you have your nutritional information that's required, but the front of the bag is not allowed to have any sticker at all."

Associated Food does something similar, and it works well, says Vaughn. "It almost looks like it was packed in the back room," Vaughn says. "It's not, of course — it's got all the nutritional information on it — but if you don't look at it closely, you think it might have been packaged right on site."

Similarly, Gerland's puts shelled nuts out in a produce tray over wrapped with a label, says North.

Setton's packaging is "perceived as fresh and straight from the farm," explains Cohen. "There's a no-frills look and feel to it; the packaging is really about the product, and it's re-sealable, so it locks in freshness."

At Diamond, "the trend in packaging is to show as much of the product as possible," says Waters. "This means clear packages with minimal branding. Package types include tubs, rounds and bags. Bags can be flat, which offer stackability in a section that aims for minimal footprint, or gusseted stand-up bags, which offer maximum product visibility."

## MIX IT UP

Stillman of Amport Foods points out that fresh produce is in shorter supply during the winter months and suggests retailers keep pulling people into the produce section with year-round offerings that complement vegetables. "Those things make for good fill, and people like to snack," Stillman says, adding that Amport's line of chocolate cashew, chocolate pecan, walnut, yogurt-coated nuts and other offerings, "takes what some people consider a bland product and makes it something they're willing to eat."

Paramount Farms packages the Every-

body's Nuts! brand, which includes Salt & Pepper pistachios with a hint of garlic; Roasted No Salt, roasted to add crunch; European Roast, flavored with a hint of apple cider and vinegar; and South of the Border, a flavor blend of chili spice and tangy lime.

Emerald's Cocoa Roast Almonds and Cinnamon Roast Almonds are unique in that the coating applied during the proprietary roasting process does not add calories, and the additional layer of flavoring does not come off onto your hands.

Another area of interest is a co-branded product. E.J. Cox Co., based in Clarkton, NC, was the first company to do this about two years ago. Working with famous Tabasco sauce maker, Mc Ilhenney, the company infused its in-the-shell peanuts with the spicy sauce, creating a hybrid brand combining the two names.

Packaging is changing, too. Cox does both horizontal and vertical bags, says national sales manager, Terry "Peanut" Williams. The company is also the first in-the-shell peanut company to add a re-sealable bag to its line-up. "No other in-shell peanut company is doing that at this time," he says of the innovation that was added in mid-2009.

Setton has put a pour spout on its bags of flavored pistachios, says Cohen.

Adding to the exclusivity, more and more retailers are opting for private labels. Amport does private labels for the nation's Top 10 grocers. "It is the most growing segment of the grocery produce world," Stillman adds. It is a delicate balance, because many times, the consumer will judge the quality of an entire store by what's sold under the store's label.

Paramount works directly with its retailers to develop a private label. Private labels are the latest trend for Sachs, too. "We have seen a surge in private label in the past three years," says Williams. "It seems to come around every few years that the supermarket chains and the wholesalers want to bag their product."

## USE UNIQUE SIGNAGE

Amport prefers the custom signage approach, "largely because only about a third of the produce departments will even allow signage," Stillman says. "But for those that do, we try to work on the theme behind what they're doing. For instance, if they're setting up a whole section and want minimal signage, we'll put maybe a strip sign across the top of the section, maybe healthy alternative snacks, nuts and dried fruits," he adds.

Pricing plays a role in some cases, but

"You have to price the product at a price point that makes it easy for consumers to pick up. I can't explain why 99-cents is a magic number, but keeping it under a dollar is key."

— Terry "Peanut" Williams  
E.J. Cox Co.

not others. Especially when it comes to private label, "It has to be better-priced and it has to be as good or better quality than the national brand," says Amport's Stillman.

"You have to price the product at a price point that makes it easy for consumers to pick up," says Cox's Williams. "I can't explain why 99-cents is a magic number, but keeping it under a dollar is key." There has also been a surge in past few years of 10-for-\$10, "and we have products that are friendly to the philosophy," he adds.

## SHOW THEM HOW TO USE IT

Many retailers and shippers tie in nuts with other products, increasing sales of both. Amport supplies a tablet with tear-away recipe cards. "If you provide the recipe, you've made it so easy for the consumer," says Stillman.

Sachs connects its promotions to national events such as the Super Bowl, Williams says. Likewise, NASCAR season starts in February with the Daytona 500, which is "always a big TV draw, when people are hosting parties for the first race of the season. We like to see the retailer peg promotions around national events where people host parties," he adds, "because that's where people buy our product."

Overall, it's key to think about nuts differently and increase sales by emphasizing the ways they can be combined with produce or used on their own. "It's those produce sections that have broken away from the norm that have become most successful," Stillman says. "You have to bring the message home to consumers through proper displays and presentation."

pb

# FLORAL WATCH

## ANNOUNCEMENT



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### VERIFLORA CERTIFIED

Olson's Greenhouse, Salem, UT, has been independently certified under the VeriFlora Certified Sustainably Grown eco-label. VeriFlora certification signifies that Olson's Greenhouse practices sustainable and eco-friendly methods in production, shipping and labor management. Scientific Certification Systems, Emeryville, CA, administers the VeriFlora program.

Reader Service No. 336

## NEW PRODUCTS



### TOTALLY TUBULAR

Creations of Earth, Wellington, FL, introduces Tubescapes, a new concept in dish gardens. Wrapped with a high-end vinyl material, the tube gardens are planted with orchids, bromeliads, foliage and succulents. Offered in 10- and 12-inch containers, the dish gardens are available in a variety of colors. They also are designed with an excellent drainage system to prevent over watering.

Reader Service No. 337



### SEEDS FOR PUPS

Rosso's International, Pembroke Park, FL, launches a line of 12 assorted organic herbal grow kits in biodegradable bamboo pots. The company is donating 100 percent of the profits of these grow kits to NEADS — a non-profit organization that trains service dogs for Iraq and Afghanistan veterans who return with devastating injuries.

Reader Service No. 338



### JUST ADD PLANTS

QGrow Products Inc., Boca Raton, FL, introduces a HyperGrow Hydroponic Garden Kit. Ideal for the patio, balcony or porch, this hydroponic gardening kit includes: 2-tier potting system, Leca Stones, grow cubes, Green Air products nutrient starter pack, submersible pump, fountain and tubing. Illustrated instructions are also included, but the plants are not.

Reader Service No. 339

## ANNOUNCEMENT



**FAVORITE NEW FOLIAGE PLANT**  
Hawaiian Sunshine Nursery Inc., Hilo, HI, received the Favorite New Foliage Plant award for its Kalanchoe thrysiflora "Fantastic" at the Tropical Plant Industry Exhibition (TPIE) in Fort Lauderdale, FL. The award was presented at the annual January event hosted by Florida Nursery, Growers and Landscape Association of Orlando, FL.

Reader Service No. 340

## NEW PRODUCTS



### BIODEGRADABLE PLANTERS

Plant Marketing, LLC, Mount Dora, FL, now offers Bio Gardens — biodegradable planters featuring four, 4-inch tropical plants. Attached bio tags explain the planter is 100 percent biodegradable, made from plant fibers and can be used indoors and outdoors. Offered in green, sand and chocolate colors, the dish gardens are available in 7, 8 and 10 inches.

Reader Service No. 341



### WITH A FLARE

Highland Supply Corp., Highland, IL, introduces Cushion Flare Earth Covers in Purple, China glow, Brick red and Cream on brown Kraft paper. The flare supports the low foliage and enhances the plant. Brown Kraft Earth Covers are currently produced using a significant percentage of post-consumer or post-industrial recycled paper and printed with water-based inks.

Reader Service No. 342



### SPOTS OF DISTINCTION

Koen Pack USA, Miami, FL, introduces polka dot bags and sleeves and plaid floral sleeves as additions to its line of floral wrapping solutions. The water-resistant bags, which measure 5"H x 5"W x 5"D, arrive flat in cartons of 200. Available in a variety of colors, the handled bag is ideal for potted blooming plants, foliage and short-stem bouquets.

Reader Service No. 343

Floral Watch is a regular feature of PRODUCE BUSINESS. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

# Signage Sells

*Easy to implement, signage and POS materials are cost-effective elements of the floral sales strategy that attract, educate and enlighten consumers.*

BY KEN HODGE

**G**iven a little more attention and effectively staffed with "silent salesmen," such as high-impact signage and the right point-of-sale materials, many agree well-managed floral departments can generate better profits.

Cohesive. Unified. Coordinated. Synchronized. Professional. Each word has been used to describe an approach for reinventing supermarket floral departments to draw more shoppers and stimulate sales. Many supermarkets look at the floral department as an on-again-off-again revenue source revolving mainly around special occasions and holidays, and usually don't allocate full-time attendants. Some floral areas are relegated to bouquets in buckets near the front door — overshadowed by a pampered and groomed produce department where revenues are undeniably higher.

"We've definitely seen it," says Dennis DeBaltzo, national sales manager for A-ROO Co. LLC, of Strongsville, OH. "It's obvious to the consumer when time and effort have been put into the floral department. Chains we have worked with — and there are many — who institute color schemes, have seen definite upticks in sales." He notes color cycles that come in and out of favor with consumers; one preferred combination is chocolate brown with mint green.

Coordinating colors is just one of many ways supermarkets can create a more unified and attractive look in their floral departments, according to DeBaltzo, which not only catches consumers' attention but also draws them in to make a purchase. He recommends effective signage, POS materials, educational tags and perhaps an overall theme or tagline.



Photo courtesy of Esprit Miami Inc.

**Signage and POS tell the story and make purchase decisions easier for consumers.**

## MAKE SPACE INVITING

Similar to other departments in the store where signage is used, the floral department will likely show improved revenues when specials, prices and other information are communicated to consumers, contends Bruce Brady, vice president of business development for Farmers' West Flowers & Bouquets, in Carpinteria, CA. "People spend a certain amount of time on each purchase. It must be obvious to consumers what the product is, what it costs and, if a story goes along with it, make it brief," he elaborates. "An example might be 'California's Best' or 'Environmentally Friendly.' Do these themes help sell flowers? Most of us agree they do. We make signage available to our customers," Brady continues. "It's not a science that has been validated for floral yet, but intuitively, most would agree signage helps get consumers' attention."

Color schemes, signage and other com-

ponents should be coordinated to create an overall look and feel for the floral department, communicate important impressions and messages to shoppers and lure them in, advises Sandy Jahnke, vice president of Esprit Miami Inc., headquartered in Miami, FL. "When retail customers walk into a grocery store, they're instantly bombarded by massive color displays of fresh fruit and in-season produce, sale signs and other merchandise," she reasons. "If the floral display is nothing more than a hodgepodge of a few stands of random bouquets without signage or any organization, the consumer just walks right past it without even noticing. I recommend hanging banners. They can be easily changed and they make a can't-miss, full-color impact using no floor space. The best message to convey with large format signage is the importance of flowers in everyday lives."

"Another recommendation is the elec-

tronic coupon dispenser," Jahnke asserts. "Consumers are keen on the little red flashing light and they instantly know good coupons are inside. However, I've not seen this done in flowers yet."

## DEFINE THE DEPARTMENT

In an industry where budgets — and margins — are tight, Brady recommends a pragmatic approach that minimizes labor on the part of store personnel. "The first thing I would put there are my flowers," he advises. "For signage, it really comes down to what is practical — what kinds of stands are available at grocery stores — such as the iron man signs. Signage is only good if it is used and I think what is commonly known as the iron man is the most effective. They stand out and are easy to position. Plus, they're already at the store."

Dave Lyons, marketing/creative director for Blanc Industries of Dover, NJ, a maker of signage for floral and other perishables, says floral departments should have their own identities, drawing customers in when they have a need or attracting their attention for impulse-driven purchases. Encouraging floral purchases not only for special occasions but also for more day-to-day sentimental expressions can bring results.

"Kroger does a really good job with floral," Lyons points out. "The last company I worked for, I did Kroger's floral. The compa-



**"The floral department gets cut in staffing, but that's even more reason signage and education are important."**

— Noam Temkin  
Temkin International

ments and it reduces the effectiveness of the whole process."

## TELL THE STORY

Both signage and POS materials are important pieces of the floral sales strategy at McCaffrey's Supermarket outside Philadelphia in Yardley, PA, according to Sandy Liberato, floral department manager. "Signage works best," she asserts. "It's important to extend yourself to your customers. Last year, we had mini-poinsettias with the self-watering string in them. We also had mini-carnations in Santa pots on the wall. They are all self-watering, too, but if the customer doesn't know about it, forget it. I usually make copies of the information that describes the plant and how to take care of it. I roll it up and put it in the plant. Information to go along with the plant is like a second little present."

In nearby North Wales, PA, Redner's Warehouse Market focuses on location and signage, according to Dick Stiels, produce and floral director. "Our floral departments are right up front when you walk in the store," he reports. "We feel location is very important. Everybody will see them when they walk in and, obviously, signage is also very important. The biggest thing we have on our signs is the price. People look at the plant, the quality and they see the price right away. We always include other things, such as where the plants or flowers are from, what you can combine with them, whether they take a little or a lot of water, require full light or little light. We don't do POS material, but we require suppliers to have care tags with their plants."

"The other important thing is variety," Stiels adds. "You have to change flowers on a weekly basis. You can't have the same Boston fern week after week. We want customers to see new things. Maybe they didn't like what we had last week, but this week we'll offer something different. We also move things around the store. If something didn't sell in one spot, you might need to get it to a different location where people can see it a little better."

Regarding location, Esprit Miami's Jahnke agrees positioning flowers in various areas of the store can improve sales. "One really great 'trick-of-the-trade' is to put small displays in the greeting card section, the pharmacy area or at the check-out aisle," she says. "Consumers are often standing in line and surrounded by nothing but candy and magazines. We developed and patented a portable display stand that can be used in any of these locations. It has a very small footprint, but carries a large amount of product."

pb



Photo courtesy of Temkin International

ny names its bouquets for certain occasions, such as 'Summer Bouquet.' It had a tagline that said, 'Just because!' It also sells things online and does FTD, too. I don't know what the company's sales were before, but it had a big push and increased sales."

Noam Temkin, vice president of sales and marketing for Payson, UT-based Temkin International, also emphasizes the need for a synchronized effort to reach full sales potential in floral. "Everybody is looking at costs," he points out. "The floral department gets cut in staffing, but that's even more reason signage and education are important. Many people think beautiful flowers are enough, but other things, such as education, can help sales. Any story can be told on the packaging and people pay attention."

Jahnke adds, "Consumers increasingly want to know where the products are coming from. What's the story behind them? Are they Fair-Trade? Are they green? How do I care for them? Smaller signage and POS materials are a perfect medium for educating consumers in these areas."

Farmers' West's Brady concurs, citing issues such as fair labor practices, environmental safety and sustainability are important to a portion of the buying audience. He notes Farmers' West is a VeriFlora-certified grower, complying with a third-party sustainability program for fresh-cut flowers and potted plants.

Temkin agrees, saying "Bottom line, we're all trying to sell flowers. Signage is critical. We now offer signage in-house. It's a harmonious effort — signage, packaging, POS materials and having a certain look that works together — so when someone is 30 feet from the floral department, they're drawn to it. It's all about creating a story. Take away any one of those ele-



# Evaluating Sales Results

The most severe economic depression since the Great Depression has brought about greater changes in consumer demand than in recent memory. Wide fluctuations in supply of many fresh fruit and vegetables caused retail price changes to become magnified in many consumers' minds. Specifically, had supplies of potatoes and bananas been at the upper end of their historic levels, retail prices would have been much lower at a time when consumers were becoming more value-conscious.

Unfortunately, the lower supply level of potatoes in the year ending September, 2009, resulted in much higher retail prices, but nevertheless accounted for an eight percent retail dollar sales gain, even as consumers substituted cheaper alternatives. Now, with more normal supplies providing the opportunity for more attractive lower priced promotions, what will the sales dollar percentage change become?

Recently, The Perishables Group's two-year analyses of retail potato pricing and promotions concluded in May, 2008, prior to the beginning of the 2008-2009 potato season. One of the reported findings was that heavy discounting of potatoes during the holidays isn't necessary. However, some retailers believe deep discounting is necessary to be competitive during a weak economy. Competitive is the key word, and a major consideration among nearly all retailers.

While some believe certain items will sell without deep discounts at holidays, others believe there are two groups of items that draw customers at these peak selling periods. First, traditional holiday basics, and secondly, other items not as individually important, but used by a greater number of customers than during non-holiday periods. The challenge for retailers is putting together the best promotional program directed at their customer base to achieve the overall sales objective at a satisfactory profit rate.

What works for one company may not be appropriate or compatible with another company's overall strategy. There is no single pricing strategy leading to success. There is a huge gray area with a few outstanding implementations and a small percentage that are failures.

The Perishables Group indicated a survey showed consumers didn't flinch in last year's fourth quarter when price increases were a record. What was the relationship between the changes of tonnage and dollar purchase changes?

Potatoes are the nearly perfect example of a consumer storable commodity. In the days of large families and more time available

for at-home meal preparation, potatoes were heavily promoted in 25- and 50-pound units. As the years passed, the promotional unit and the regularly purchased package size have steadily declined. Now, 5-pound bags often outnumber ten pounders and the display of bulk potatoes continually increases. When prices are high, such as during last year's level, 5-pound units became the unit of consumer choice. On the other hand, this year's advertised promotions are increasingly focused on the 10-pound unit with the price point similar to last year's.

Storable commodity producers and retailers need to evaluate deep discount price promotions not on the basis of a single week's event, but rather, total tonnage and dollar sales over an extended time period. Take any extended period and compare results from varying price programs. This becomes the best way to determine the effectiveness of deep discounting of larger units.

However, tonnage and price are only two criteria for analyzing the success of any promotional effort. For retailers, the first objective should be getting customers into the store and secondly, to determine how many consumers purchase the promotional units or an alternative in the category.

Too frequently, promoters get carried away by big volume only to find the percentage purchasing a sale item, although substantial, may add little to the number purchasing from the entire category in a non-promotional week.

When there is a category with multiple items, retailers may find a moderate price reduction of one item each week is more effective than an infrequent blow-out sale.

After all, the goal should be to sell as many consumers as possible the largest number of products. This is when retailers recognize they have captured consumer loyalty and can determine the varying degree of customer acceptance for individual items.

Former Cornell professor, Max Brunk, was among the leading marketing researchers during the middle of the 20th Century. His sophisticated mathematical analysis always included data comparisons involving sales dollars, tonnage, number of consumers purchasing and total number of customer's shopping the store.

In the infancy days of data processing, the analysis was long and tedious, but the conclusions were based on multiple factors involving purchasing decisions. Today, data capture can be accomplished at practically the snap of a finger in most organizations. Properly evaluating all of these factors leads to understanding decisions that impact the strategy and mission of both retailers and suppliers. **pb**

**Understanding  
all the factors  
surrounding  
sales data is a  
must to prevent  
reaching  
conclusions that  
may not be fully  
representative.**



# How Americans And Europeans Buy Food

In a financial crisis, one could assume that all consumers are tightening their belts on food spending. However, through a global study of food consumption habits, RISC International illustrates the differences between Americans and Europeans when it comes to healthy eating and food expenditure in the current economic climate.

## AMERICA

Residents of the United States of America stand out as being the most likely to purchase food systematically at the lowest price. This is the result of a very strong food abundance culture, where there is still an emphasis on quantity. Richly elaborated on in Morgan Spurlock's *Super Size Me*, it can be perceived through many social objects, but the size of the American refrigerator is probably the best illustration. Americans are also more likely to spend on high quality alcohol, wines and furniture than food. Half of the population prefers to shop at the supermarket for its prices, with hypermarkets in second place. While only one in 10 Americans shop in hard discounters, this store category is the most preferred among the lowest income bracket. High earners are more likely to purchase food over the Internet, but overall, this is not a popular option.

The fast food culture in America will not end tomorrow, but positive attitudes to healthful eating are increasing. For produce businesses, it may be encouraging to see that as many as over four in five Americans consider healthful eating to be the best way to protect their health. In 2005, only every second American held this belief, and although this trend will take time to permanently root itself at a societal level, it presents interesting opportunities for the produce business. Also, organic is gaining in popularity in the United States as 47 percent of U.S. respondents agree they are buying more organic produce than before; this rises to 57 percent in high income groups and 71 percent in the top 5 percent of the population in terms of economic power.

## EUROPE

When comparing the five major European markets (England, Germany, France, Spain and Italy) to the United States, it is important to note the differences across Europe. For example, England and Germany share the U.S. hunger for bargain food shopping, which can be used as a means to adjust the family budget. Conversely, the Italians and Spanish continue to spend as much as they can afford, because the importance of food and healthful eating outweighs economic concerns.

British consumers are the most likely of the five major European

markets to economize on food, which can be seen in a drop from 64 percent to 53 percent of consumers willing to pay the most they can afford, and a huge increase from 25 percent to 46 percent of those seeking to purchase the cheapest food available. When it comes to price, the British can be likened to Germany, as both have hard bargain discount cultures. As many as 48 percent of Germans shop in hard discount stores, but it is worth noting that the quality of products purchased in these stores is significantly higher than found outside of Germany and the choice more extensive. Thus, for the Germans cheap food does not imply a compromise in the same way as it does in England.

Only 28 percent of British consumers worry about their health, compared to the European average of 63 percent or the U.S. average of 35 percent. However, healthful eating, will, for British consumers, like those in the United States, be an increasingly important aspiration over the next five to 10 years with more than 80 percent of British consumers believing that food is the best medicine.

The French see good quality food as a fundamental right and do not believe they should have to prioritize their spending in order to get it. RISC has identified a different dynamic to that seen in England, with a drop from 54 percent to 48 percent in those willing to pay the most they can afford for food, but also a drop from 25 percent to 23 percent for those seeking

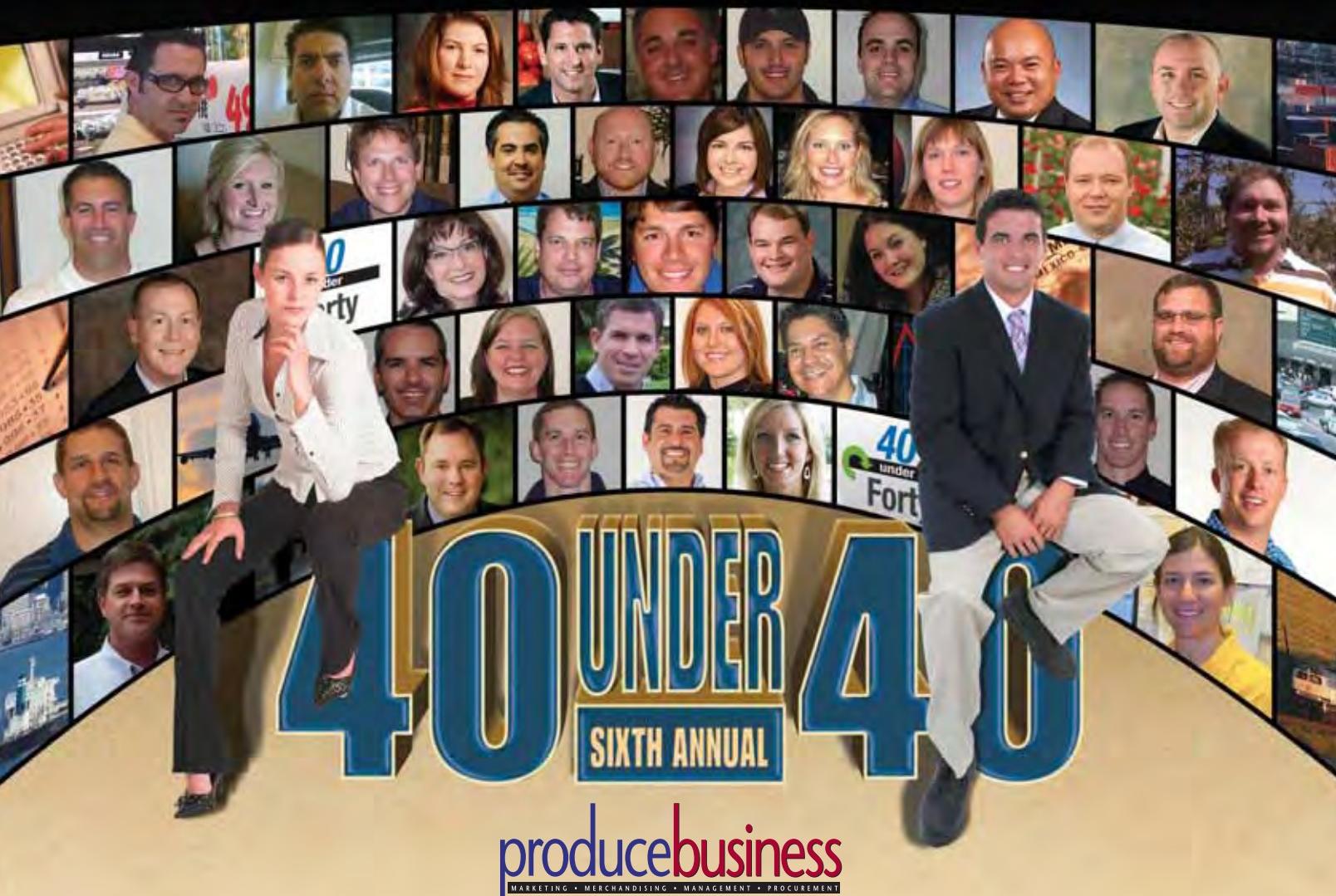
to purchase the cheapest food possible.

In contrast, the Spanish prioritize food spending, with 54 percent spending as much as they can afford and only 15 percent seeking out the lowest prices, making this group the most willing to spend on food, with Italy a close second at 20 percent and 51 percent, respectively. The Latin people's willingness by the social aspects of food and meal sharing — the aperitif tradition in Italy, the tapas culture in Spain. As many as 90 percent of Spanish consumers believe that eating well is a way to maintain their vitality.

Although preference for cheap and fast food is not dead, U.S.-based produce businesses have the opportunity to benefit from increasingly positive healthful eating attitudes. This, coupled with the rise in popularity of organic produce, indicates the market shows real promise as businesses will have a larger consumer target to address. However, as targets get larger, consumer expectations climb and there will be an increasing demand for high quality and organic food produce, which are more easily available and more reasonably priced.

Those companies considering European expansion could also benefit from the strong appetite for healthy food in Italy and Spain, which is a defining part of Mediterranean culture, but should expect to find strong contenders in terms of local competition. **pb**

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dependent.



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PRODUCE BUSINESS is accepting nominations for its Sixth Annual 40 Under Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of January 1 (People born after January 1, 1970).

To nominate someone, please go to [www.producebusiness.com](http://www.producebusiness.com) and click on the 40 under Forty icon, or fill out this form by March 1, 2010, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

**ABOUT THE NOMINEE:**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
Approximate Age \_\_\_\_\_  
Company \_\_\_\_\_  
Position \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Postal Code \_\_\_\_\_  
Country \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_  
E-mail \_\_\_\_\_

In 100 words or less, describe why this person should be nominated:  
(You can use the back of this sheet for this)

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Nominee's Professional Achievements:

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Nominee's Industry/Community/Charitable Activities:

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**ABOUT THE NOMINATOR:**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
Company \_\_\_\_\_  
Position \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Postal Code \_\_\_\_\_  
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Fax back to 561-994-1610

Nominator information is for our use only and will not be shared with candidate or have a bearing on selection.

For more information email: [info@producebusiness.com](mailto:info@producebusiness.com)

# Blast from the Past

In 1960, Don Gualberto Rodriguez began Caribbean Produce with \$600 in his pocket and a dream in his heart. Fifty years later, the company is known as the largest and oldest importer of fresh produce in Puerto Rico, as well as the only trading member of the Produce Blue Book on the island.

"He had so much ambition and wanted to develop new products and services for grocery store consumers," says his grandson, Gualberto Rodriguez III, president of Caribbean Produce. To that end, Don Gualberto began repacking tomatoes in clear cellophane, a far cry from cardboard boxes, the typical packing material of the time, which easily masked any blemishes. Gualberto's "honest tomato" became an instant hit, and set the trend for what is still used today.

Celebrating the company's 50th anniversary this year, Gualberto III looks back on his family's business with great pride and respect, and even remembers the 25th anniversary party "in a humble restaurant right on the ocean in San Juan," captured in this photo. "My dad, grandfather and Uncle Luis ate lunch there nearly every day, so it was a natural fit to have the party there. We've since outgrown the restaurant space, but its owners continue to attend our annual party," he adds.

Today, Caribbean Produce handles nearly 1,000 produce items, supplying companies such as Wal-Mart, Burger King and Subway.

The *Blast from the Past* is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com

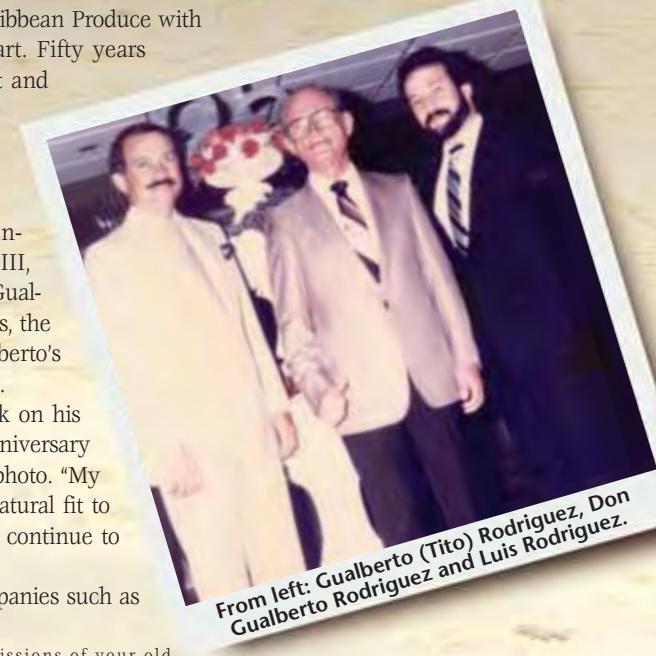
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FEBRUARY 2010

COMPANY	PAGE #	RS#	PHONE	FAX
Agrexco USA, Ltd.	26	.56	718-481-8700	718-481-8710
Albert's Organics	79	.36	800-996-0004	610-444-0316
Associated Potato Growers, Inc.	63	.45	800-437-4685	701-746-5767
Maurice A. Auerbach, Inc.	49	.35	201-807-9292	201-807-9596
Ave Sum Organics, Inc.	79	.33	831-462-2244	831-462-2552
Basciani Foods, Inc.	52	.79	610-268-3044	610-268-2194
Blue Book Services	19	.19	630-668-3500	630-668-0303
California Leafy Greens Marketing	17	.83	916-441-1240	
Canadian Produce Marketing Association	55	.8	613-226-4187	613-226-2984
Capay Canyon Ranch	79	.31	530-662-2372	530-662-2306
Capital City Fruit Co., Inc.	29	.38	515-981-5111	515-981-4564
Champ's Mushrooms	53	.57	866-Champs1	604-607-0787
L. Cherrick Horseradish Co., Inc.	29	.71	314-421-5431	314-421-3277
Christopher Ranch	79	.6	408-847-1100	408-847-0581
Christopher Ranch	49	.7	408-847-1100	408-847-0581
Ciruli Brothers	35	.23	520-281-9696	520-281-1473
Country Fresh Mushroom Co.	53	.12	610-268-3043	610-268-0479
D'Arrigo Bros. Co. of New York	15	.34	800-223-8080	718-960-0544
Dawson Farms	65	.75	318-878-5806	318-878-2826
Del Monte Fresh Produce	96	.82	800-950-3683	305-520-8495
Dole Fresh Fruit Company	2	.14	818-879-6600	818-879-6628
dProduce Man Software	72	.25	888-PRODMAN	650-712-9973
Duda Farm Fresh Foods, Inc.	31	.37	561-978-5714	561-978-5705
Earthbound Farm	78	.84	888-624-1004	831-623-7886
East Coast Brokers & Packers, Inc.	95	.24	800-557-7751	863-869-9850
Eurofresh Farms, Ltd.	44	.13	520-384-4621	520-384-4187
Farm Pak Products, Inc.	65	.76	800-367-2799	252-459-9020
Farmer's Best	37	.42	520-281-1411	520-281-4163
Florida Department of Agriculture	32	.51	850-488-4303	850-922-0374
Fresh Taste Produce Limited Canada	67	.58	416-255-2361	416-255-8742
Freska Produce International, LLC	38	.59	805-650-1040	805-650-3550
Gambles Ontario Produce, Inc.	68	.21	416-259-6391	416-259-4392
Garber Farms	64	.53	337-824-6328	337-824-2676
Giorgio Fresh Co.	53	.48	800-330-5711	610-429-3810
The Giumarra Companies	77	.55	760-480-9133	
Global Organic Specialty Source, Inc.	78	.60	877-952-1198	941-358-6551
Godwin Produce Co.	65	.54		
Gourmet Specialty Imports LLC	49	.32	610-345-1113	610-345-1116
Grower Alliance, LLC.	42	.61	520-761-1921	520-377-9189
Highline Mushrooms	54	.18	519-326-8643	519-326-7222
I Love Produce LLC.	49	.77	610-869-2205	610-869-5711
Idaho Potato Commission	61	.49	208-334-2350	208-334-2274



From left: Gualberto (Tito) Rodriguez, Luis Rodriguez, and Don Gualberto Rodriguez.

COMPANY	PAGE #	RS#	PHONE	FAX
Ippolito Produce	71	.72	416-252-8809	416-252-0710
Jem D International	46	.10	519-733-3663	519-733-9970
J.R. Kelly Company	26	.62	888-344-4392	618-344-2297
Kern Ridge Growers, LLC	79	.63	661-854-3156	661-854-2832
KPG Solutions, Inc.	82-83	.78	407-331-5151	407-331-5158
L&M Companies, Inc.	33	.85	509-698-3881	509-698-3922
Lakeside Organic Gardens	78	.64	831-761-8797	831-728-1104
LGS Specialty Sales, Ltd.	16	.3	800-796-2349	718-542-2354
Lisa Inc.	42	.11	520-281-1863	520-281-2848
Maine Potato Board	63	.43	207-769-5061	207-764-4148
Mann Packing Company, Inc.	9	.9	800-884-8266	831-422-5171
Mastronardi Produce, Ltd.	45	.73	519-326-1491	519-326-8799
Melones International	48	.5	520-281-2282	520-761-1829
MIXTEC Group	55	.50	626-440-7077	626-440-1557
MJB Sales, Inc.	52	.65	610-268-0444	610-268-0837
Monterey Mushrooms	54	.66	636-587-2771	831-763-2300
N&W Farms	65	.44	662-682-7961	662-682-7998
N2N	84-85	.78	407-331-5151	407-331-5158
National Mango Board	39	.22	877-MANGOS-1	407-629-7593
New England Produce Council	24	.67	781-273-0444	781-273-4154
Nonpareil Corp.	57	.39	800-522-2223	208-785-3656
Northern Plains Potato Growers Assn.	62	.40	218-773-3633	218-773-6227
Omega Produce Company, Inc.	42	.74	520-281-0410	520-281-1010
Pack-Right LLC	25	2	888-706-2400	520-377-2874
Plain Jane	48	.5	520-281-2282	520-761-1829
Potandon Produce	59	.15	800-767-6104	208-524-2420
Produce for Better Health Foundation	13	.20	302-235-2329	302-235-5555
Produce Pro Software	16	.68	630-395-0535	630-572-0390
Richard E. Ryan & Associates Limited	70	.27	416-259-2381	416-259-2689
SAGRAPA - Embassy of Mexico	40-41	.26	202-728-1729	202-728-1728
O. C. Schulz & Sons, Inc.	63	.46	701-657-2152	701-657-2425
Silver Creek Software	84-85	.4	208-388-4555	208-322-3510
Spice World, Inc.	49	.47	800-433-4979	407-857-7171
Stronach & Sons, Inc.	72	.52	416-259-5085	416-252-0110
SunnyRidge Farm, Inc.	27	.28	863-299-1894	863-299-7794
Thomas Produce Sales, Inc.	42	.29	520-281-4788	520-281-2703
United Fresh Produce Association	47	.17	202-303-3400	202-303-3433
Veg-Pak Produce, Ltd.	69	.16	416-255-4686	416-255-4677
Vessey & Company, Inc.	16	.30	888-505-7798	760-356-0137
Village Farms	50	.81	877-777-7718	610-429-6222
Wada Farms Marketing Group	58	.69	888-Buy-Wada	208-542-2893
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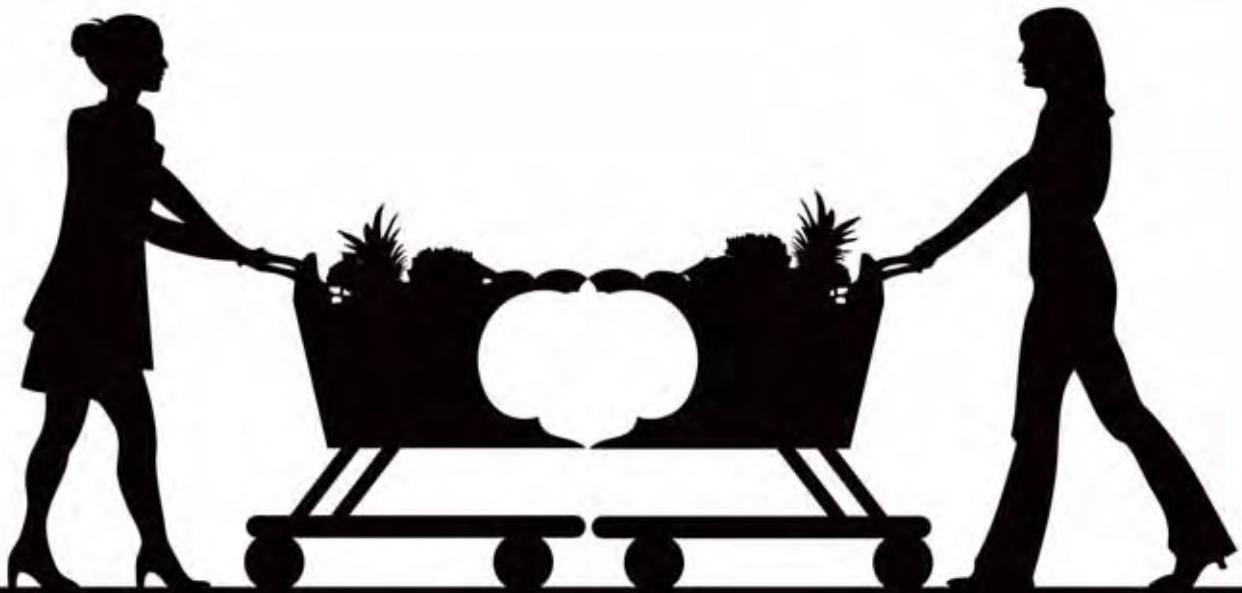
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